

St Luke's
Parochial
Trust

Annual Report and Accounts

For the year ended 31 December 2004

BUZZACOTT

Charity Registration Number
207497

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Legal and administrative information

Trustees

Ex-Officio Trustee

The Revd K Rumens (Rector of St Giles,
Cripplegate with St Luke's Old Street)

Nominative Trustees

One by the Corporation of London

Mr J A Barker * Deputy

Five by the Council of the
London Borough of Islington

Cllr Mr K Sharp
Mrs E Stephenson §
Three vacancies

Two by the Parochial Church Council of
St Giles, Cripplegate with
St Luke's Old Street

Mr J D Freeman * # (Chairman *to March 2005*)
Mr A. Johnson (*from May 2004*) §

One by the City Parochial Foundation in
the City of London

One vacancy

One by Islington Age Concern in the
London Borough of Islington

Mrs. J. Luff (*to September 2004*)
One vacancy

Seven Co-optative Trustees

Revd D. Allen (*from September 2004*)
Mr R Daily-Hunt CC * # (*to February 2004*)
Mrs J Dolphin * § (Chairman *from March 2005*)
Mr N Fletcher * # § (Vice Chairman)
Mr J. Goulde § (*from September 2004*)
Mrs J Herbert
Mr D Hyams (*to February 2004*)
Mr J Sheehan § #
Cllr Mr J Trotter

- * Member of Finance Committee
- # Member of Audit and Compliance Committee
- § Member of the New Centre Committee

Legal and administrative information

Staff

Clerk to the Trustees	David Green
Finance Director	Martyn Craddock
Senior Accountant	Patrick Vincent
Accounts Assistant	Dora Iouannou
Centre Manager	Keren Wiltshire
Caretaker	Michael Dumitrescu
Bar Attendant	Sylvie Dumitrescu
Care Manager	Richard Harrisson (<i>to December 2004</i>)
Care Worker	Marlo Fox
Care Worker	Jennifer Hillier (<i>from December 2004</i>)
Care Worker	Afia Sarpong
Receptionist	Lesley Tadman
Driver	Yemane Tesfagiorgis
Grants and Pensions Manager	Kristina Glenn
Grants Officer	Chris Hobbs
Principal office	90 Central Street London EC1V 8AQ
Telephone	(020) 7549 8181
Facsimile	(020) 7549 8182
Charity registration number	207497
Auditors	Buzzacott 12 New Fetter Lane London EC4A 1AG

Legal and administrative information

Investment managers	CCLA Investment Management Ltd St Alphage House 2 Fore Street London EC2Y 5AQ
	M&G Securities Ltd Laurence Pountney Hill London EC4R 0HH
	Royal London Cash Management Ltd 55 Gracechurch Street London EC3V 0UF
Bankers	HSBC plc Clerkenwell Branch 74 Goswell Road London EC1V 7DA
Solicitors	Wedlake Bell 52 Bedford Row London WC1R 4LR
Surveyors	Drivers Jonas 6 Grosvenor Street London W1K 4DJ

The Trustees present the statutory report with the accounts of St Luke's Parochial Trust for the year ended 31 December 2004. The Accounts have been prepared in accordance with the accounting policies set out on pages 18 to 20 of the attached accounts and comply with the charity's governing instruments (Charity Commission Schemes), applicable laws and the requirements of the Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in October 2000.

Background

In 1732, the ancient parish of St Giles-without-Cripplegate was divided into two and the parish of St Luke's, Old Street was established in its own right. This formalised the situation that had obtained informally for some fifty years before. Charitable gifts of property and money made in the 16th & 17th Centuries to the original parish were also divided between the two new parishes. The charitable funds deriving from those gifts are now administered by St Luke's Parochial Trust (St Luke's) and Cripplegate Foundation.

General organisation, aims and activities

The Area of Benefit for St. Luke's Parochial Trust is formed by the parish boundaries as defined in the 1732 Act of Parliament setting up the old parish of St Luke's, Old Street. There is an extension to the area for the purposes of qualifying for membership of the St. Luke's Centre, and these two areas are shown on the map on the back page. The principal activities of St. Luke's are operating a Centre for older people who live in the area and providing pensions. Since 1965, the Area of Benefit has been in the London Borough of Islington, with the exception, since 1993, of one estate (the Golden Lane Estate) which lies within the City of London. St Luke's receives a grant from the Corporation of London towards the cost of the meals service provided in the Centre and funding from the London Borough of Islington is given under a service agreement for the provision, by St Luke's, of day care places for a number of people diagnosed with early dementia.

St Luke's Parochial Trust is governed by several schemes issued by the Charity Commissioners. The following sections show how the Trustees have discharged their responsibilities under these schemes over the past year.

Joint Administration with Cripplegate Foundation

The Foundation has been jointly administered with Cripplegate Foundation since June 2002. It was reported in last year's Annual Report & Accounts that Trustees had discussed a full merger with the Governors of Cripplegate Foundation, but it had been decided not to go ahead as some fundamental issues could not be agreed. It was also reported that the joint administration arrangements between the two charities would be reviewed in 2004. This review is still under consideration, and the arrangements continue to operate.

Property

The Trust owns the freehold of the land known as 76-90 Central Street.

The Centre at 90 Central Street EC1 is used as a community centre for the benefit of the pensioners of the Trust and members living in the Area of Benefit. In particular, it is used for the provision of weekday lunches, meetings, lectures and classes and other forms of recreation and leisure activities for anyone living in the St Luke's area of membership who is 55 or over and becomes a member of St Luke's on payment of a lifetime membership fee of £5. The Trustees have decided to investigate the possibility of building a new Centre and has set up a Committee to investigate the possibilities.

The office building at 76 Central Street is leased for 125 years from 1995 to Cripplegate Foundation.

At the date of this report the old cinema/conference centre building at the rear of the site has been demolished. The property had been vacant since 2003 as a result of dilapidations and prohibitive capital costs to make it useable. For 6 weeks during 2004 the property was inhabited by squatters. Having removed the squatters through the normal legal procedures, further expense was incurred ensuring that it was not squatted once more. A security firm was contracted to install live-in caretakers on site. Having considered the ongoing costs of having caretakers and keeping the property insured, heated and lit, the Trustees took the decision to have the building demolished. This large area of land is currently vacant, and its future use forms part of the New Centre Committee's deliberations. There are plans to temporarily locate a mobile breast cancer screening unit on the site in 2005.

The Trust also owns an investment property comprising a large area of freehold land leased until 2049 to Queen Mary, University of London in the Mile End Road, London.

Work of the Centre during the year

Activities and Classes

2004 saw another full programme of activities and classes enjoyed by hundreds of members throughout the year.

The Trust has greatly expanded its work in partnership with other agencies in order to provide members with a variety of specialist services. In particular, new services funded by EC1 New Deal have included:

- ◆ Heart & Stroke Club - a weekly meeting for people who have had a stroke or heart problems
- ◆ Friendship Project - a befriending project with Finsbury & Clerkenwell Volunteers to befriend lonely elderly people, who are often unable easily to leave their home
- ◆ Salsa Dance Class - proving that people are never too old to learn a new and very vigorous new skill from a handsome young tutor

Work of the Centre during the year (continued)

Activities and Classes (continued)

- ◆ Smoking Cessation - a weekly drop-in clinic for local residents and staff wishing to stop smoking, which began at St Luke's in October. The clinic is facilitated by a worker from Islington Primary Care Trust – PCT – whose enthusiasm and motivation has clearly inspired smokers to try out the free nicotine patches
- ◆ Complementary therapies service - shiatsu massage, acupuncture and aromatherapy provided by skilled practitioners on referral by local GPs which started in 2005.

Other partnerships started in previous years still continue, including welfare benefits advice sessions from the South Islington Advice Project, weekly visits by opticians from City & Islington College and alcohol advice support from Camden Alcoholics Support Association (CASA). This year also saw the introduction of fortnightly carer support advice and information sessions held at the Centre by Islington Carers Forum.

St Luke's relationship with Islington PCT is very valuable. They work with Islington Social Services and voluntary groups providing services to older people, and were responsible for producing a strategy for Islington Residents over age 55, *Live Long and Prosper*. The groups who contributed to the strategy continue to meet as the Islington Older People's Network. One of the successful projects in 2004 was the 'Slippery Slippers Project'. Inappropriate footwear is a major contributory factor to falls in the home for older people. The project provided free new slippers and an information pack of help tips and advice.

The provision of accessible information remains a priority for St Luke's and this year members have received presentations and information on fire safety in the home, falls prevention, distraction burglary and the Pension Credit. Members also benefited from a series of health workshops covering topics such as diet, looking after your heart and healthy bones. The Accessible Transport Guide, mentioned as being in preparation in last year's report, was published in 2004, with funding from the Health Action Zone, and has proved to be most useful.

In July 2004, St. Luke's became a ScootAbility Resource Centre. ScootAbility is a 2 year joint transport scheme between Islington and Camden to loan motorised scooters and electric wheelchairs to eligible residents. St Luke's now stores 2 scooters/wheelchairs and oversee the use of the equipment. Bookings, maintenance, insurance, assessments, training of clients and financial matters are all managed by ScootAbility.

There are activities going on at St. Luke's throughout the year. In October, 40 European delegates were invited to attend a tour of St Luke's which culminated with a concert by St Luke's Singing Group. This was part of a series of exchange visits to learn from each other about services for older people. A group from Islington went to Greece, Germany and Italy, and the programme, funded by the European Community, was agreed to be a success. Highlights of the social calendar this year have included Pub Nights, a St George's Day Party, taking part in the EC1 New Deal's 2004 Summer Festival and Tea Dances

Work of the Centre during the year (continued)

Activities and Classes (continued)

The regular classes have continued – singing, keep fit, ballroom dancing, art classes, line dancing, Tai Chi, sewing, water aerobics and drama. Services such as hairdressing and manicure are provided on a regular weekly basis. Also offered was a range of activities for people to try out including a local history walk, ballet, exercise groups and a cook and eat session.

The computer training room created in 2003, with twice weekly training sessions provided by Umbrella, a local voluntary group, continues to be very popular.

Outings continued to be a popular feature of the social calendar and members enjoyed trips to Southend, Eastbourne, Margate, Worthing and Clacton. Trips to the Theatre are organised from time to time and this year members went to see *Singin In The Rain* and *The Nutcracker*, and performance by Connaught Opera Singers at St. Luke's are always well attended and popular.

Holidays have always been popular with St. Luke's members, for both the fit and those with care needs. In 2004, St. Luke's organised a holiday to Hertford House Hotel, Clacton, which is run by Hertfordshire Action on Disability. 17 St. Luke's members with disabilities attended, supported by 4 members of staff. The Trust did not organise a holiday for other members, as has happened in the past, but members got together and 50 of them went for a week to Skegness.

Care services for people with health problems

The day care and transport service gives up to 30 people per day the opportunity to socialise with friends, enjoy a hot lunch, participate in activities and obtain advice, information and advocacy. Funding from Islington Council is in place to 2006 to support the needs of older people diagnosed with early dementia.

The large spaces and facilities available at St Luke's have enabled the Trust to offer integrated services to all our members. Where necessary, however, the Trust has also provided specialist activities such as a weekly seated exercise class, escorted outings and the supported holiday mentioned above.

Identified during the year was the need for more befriending and home-hospital visiting services to support our most vulnerable and isolated members. Work is now underway to look at ways of addressing these needs and it is hoped that 2004 will see the introduction of a wider range of care services.

2004 saw the departure of Richard Harrison, the Senior Care Worker, after 17 years service with St. Luke's. He had a warm and close relationship to many of the members and their families and he will be much missed.

Work of the Centre during the year (continued)

Catering services

The daily lunch provided at St Luke's has remained an important service which is much valued by members. The high costs of the service lead to a review in 2004. As a result, the provision of lunches was outsourced to Fresh CM, and this has enabled St. Luke's to continue to offer a hot three course lunch every week day, with a greater variety of choice than had been possible before. St Luke's was again very grateful for the donation from the Corporation of London towards our lunch service.

User participation

The management and development of St Luke's Centre has continued to be supported during 2004 by its active and committed User Committee which consists of ten members who meet with the Centre Manager on a monthly basis. The Fivovus fundraising group has also had another very successful year raising over £1,200 through the organisation of bingo sessions, raffles and jumble sales. Finally, the Trust is very grateful to all the volunteers who have given up their time during the year to help make the events and activities so enjoyable and successful.

Application of income

Under the Charity Commission Schemes, the Trustees are authorised to make payments of pensions and/or relief in need to qualifying applicants, to pay the cost of insurance, current and future repair of the Trust's properties, the management costs of the Centre and the administration costs of the Trust. Once the costs of administering the charity, running the Centre, paying pensions and meeting relief in need payments, any remaining funds may be applied in the interests of social welfare facilities for recreation and other leisure activities, with the object of improving the conditions of life for the inhabitants of the area.

The Trust pays a pension of £281 per year per household to elderly people in the area whose income falls below a minimum level and who have little or no savings or other resources. The number in receipt of this pension is steadily declining, as the take up of state benefits improves and occupational pensions become more common. The Trust does not currently accept any new applications for these pensions. Nonetheless, these payments remain a significant part of the Trust's expenditure and are an important part of the fulfilment of its charitable objects. Other benefits, which are continuing, are the payment of the TV Licence for St Luke's pensioners who are under the age of 75 and not covered by the Government's scheme.

From time to time, the Trust reviews the changing needs of the area. At present, the Centre, with its meals service and associated activities, still provides a much needed benefit for many of the senior members of the community (particularly people with disabilities brought to the Centre on the Trust's own minibus) and this work constitutes the largest part of the operations of the Trust. Without the income from the Trust's Continuity of Care Fund and Endowment Fund investments, nearly all the above services would have to be withdrawn.

Financial review for the year

In 2004 St Luke's experienced a further deficit before investment gains of £293,683 (2003 £296,355) despite reducing expenditure by 8%. A general upward movement in the UK stock market equity values eliminated this deficit by producing investment gains which resulted in a net gain in total funds of £312,134. However, almost all of this gain relates to the unexpendable endowment fund, with the end result that unrestricted funds reduced by £217,226. The Trustees recognise that this recurring feature in St Luke's accounts is clearly unsustainable and have implemented measures to reduce the income shortfall.

Income

Investment income fell by 7.8% as a direct result of switching out of fixed interest investments, where income was effectively being paid out of capital, into cash. There is little scope to improve this amount over and above what is expected from future corporate earnings growth. As a result of the decision not to administer and arrange the members' holiday, this source of income reduced by £20,000, but the corresponding cost was also eliminated of course. The Trustees have forecast that total income in 2005 will increase slightly to £558,000 (2004 - £542,282)

Expenditure

The number of pensions paid fell to 195 (2003 – 213), and the numbers receiving TV licence grants also fell as more of these grant recipients passed 75 years of age and therefore qualified for a free licence. A thorough review of all other costs was carried out during the year and significant reductions were achieved throughout the organisation. St Luke's largest cost heading is salaries and a reduction in the number of employees as a result of outsourcing the catering service, and changes to existing employee roles upon the retirement or departure of another, has led to an 8% reduction in costs. Many of these changes only occurred partway through the year and the full benefits will be seen in 2005 when, for example, staffing costs are forecast to be £366,500; a 21% reduction over two years. The Trustees have forecast that total expenditure in 2005 will decrease to £761,000 (2004 - £835,965).

The Trustees are awaiting the Actuarial Report for the Triennial Valuation of the Pension Scheme and a potential increase in employer contribution is not factored into the forecast above.

Outlook

The unrestricted fund is expected to reduce by a further £191,000 in 2005, caused by an operational deficit before depreciation of £114,500. The deficit will continue to be funded from the investment portfolio. The Trustees are mindful that it is not sustainable to continue operating the Centre with this level of deficit and are taking major steps to put the Centre on a secure financial footing for the future. The sale and redevelopment of freehold land is expected to release some capital value once a new Centre has been built. The income that would be generated from this investment of any capital surplus would help reduce the deficit.

Financial review for the year (continued)

Outlook(continued)

Funds available to the Trustees, which are considered adequate to meet the objectives of the Trust as defined in the schemes, are set out in detail on pages 21 to 21 and in the balance sheet on page 17.

Reserves policy

The Trust's balance sheet shows funds employed totalling £12.88 million and of these £7.69 million is unexpendable endowment capital. This leaves reserves of £5.19 million and of these, £2.41 million are represented by freehold properties and other fixed assets. These assets are used in the day-to-day work of the Trust and are essential to the continuing provision of services to the local community. Their value, therefore, should not be regarded as realisable should monies be required to meet contingencies or future commitments. Consequently, a designated fund has been set up equal to the value of the fixed assets not represented by restricted funds.

The Trustees have also established a Continuity of Care Fund. To this end, they have set aside £2 million of funds (2003 - £2.4 million), to provide a regular source of funds to the Trust which is designed to meet operating costs in the future. In line with the agreed investment policy, Trustees have invested a greater proportion of the Trust's investments in equities, particularly in the Endowment Fund.

In 2001, the Trustees carried out a review of major and cyclical maintenance requirements over the next ten years and the level of the maintenance reserve is calculated to cater for the repairs and maintenance thought to be required during that time. The level of repairs and maintenance reflects the age, size and condition of the properties occupied at 90 Central Street, EC1. Accordingly, £420,000 is earmarked for future major and cyclical maintenance expenditure.

The resulting balance of the Operational Fund of some £343,000 represents the day-to-day working capital. These are the Trust's free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The Trustees aim to maintain the Operational Fund of the charity in excess of £300,000, and preferably nearer to £600,000.

Risk management

During 2004, the Trustees undertook an exercise to examine the major strategic, business and operational risks which the charity faced. Through its Audit and Compliance Committee, the major risks which the charity faces were reviewed and updated. Trustees believe that the levels of reserves detailed above will provide sufficient resources to meet their objectives in the event of adverse conditions. The Trustees have also examined the controls over key financial systems and other operational and business risks which St Luke's faces and confirm that systems have been established to mitigate the significant risks. These systems are kept under review by the Audit and Compliance Committee.

Investment policy

The Trustees carried out a review of the investment portfolio during the year and made some significant changes. The Trustees are of the view that the surest way to achieve a good spread of risk, whilst maximising income and preserving the real value of their capital, is by investing in pooled funds.

During the year, with advice from the investment managers, Trustees sold their holdings in CAF Fixed Interest and COIF Fixed Interest common investment funds and invested the proceeds in sterling cash under the management of Royal London Cash Managers. The cash is mostly invested in certificates of deposit with institutions with very strong credit ratings, thereby obtaining better returns than from cash held in a deposit account. The charges for this service are low.

During the year, continued poor performance by the CAF UK equity common investment fund led the trustees to make the decision to sell the entire holding. The proceeds were re-invested in M&G Charifund which is an exempt unit trust available only to UK charities. M&G Charifund is a high yielding predominately UK equity fund and its increased income also compensated for the reduction in yield from switching from fixed interest funds into cash. M&G Charifund's total return performance has been the best in its sector for 5 years and continues to outperform in 2005. Later in the year, part of the COIF Charities Investment Fund holding was sold and that too was invested in M&G Charifund.

The Trustees monitor the performance of the investment managers on a regular basis, and hold meetings with the managers to discuss their performance. Reports are received from COIF that outline their socially responsible investment policy and engagement activities and these are discussed at the meetings. M&G have been asked to produce fuller details of their SRI policies. Charifund excludes Tobacco stocks from its fund.

It is the Trustees' policy to invest approximately 75% of their portfolio in equity based funds. The combined portfolio income yield is 4.0% and the Trustees consider this a sensible distribution rate which should ensure that the capital value of the endowment should maintain its real value with inflation over time.

Dulwich Almshouse Charity

St Luke's Trustees have the right to appoint one Trustee (currently Mr N J Fletcher) to the Board of the Almshouse Charity and also to appoint one-quarter of the residents of the Almshouses which are located close to Dulwich College. Because of reluctance by potential beneficiaries to leave the St Luke's area and move to Dulwich, however, we continue to find it difficult to identify beneficiaries who could take up vacancies when they occur. The Almshouse Charity also extend their help to include payments of relief in need to people in St Luke's area of benefit and this is a welcome addition to the resources available to the area.

Services provided to other charities

St Luke's provided services to the following charities in the year:

Finsbury Educational Foundation

The majority of the Foundation's Trustees are appointed by St Luke's Parochial Trust from among its own Trustees. St Luke's was reimbursed by FEF for carrying out all its administration and accountancy and for the duties of Clerk. The grant management was carried out under the joint administration arrangements with Cripplegate Foundation.

Anne Lyte's Pension Charity

The charity is controlled by St Luke's own trustees. St Luke's carried out all administration, accountancy, pension payments and the duties of Clerk, and is reimbursed.

Employment policy

St Luke's Parochial Trust is an equal opportunities employer and the Trustees have adopted a detailed equal opportunities policy for use in all its activities.

Staff

Trustees greatly appreciate the hard work of staff over the past year which has contributed so much to the life and work of St Luke's and has provided its members with such an interesting and varied programme of classes, activities and events.

Volunteers

The Trustees are grateful for the enormous contribution of those who give their time voluntarily to assist with the activities of the Trust thereby enabling pensioners and members to benefit from the facilities on offer. The Trustees are also very appreciative of all those who give their time to raise funds for St Luke's and so help ensure the continuing high standards of service in the Centre.

Trustees

As reported on page 1, the Board of trustees includes Ex-Officio, Nominative and Co-optative Trustees. Nominative and Co-optative Trustees are appointed for four and five year terms respectively, although they may be re-appointed for further terms of office. The Ex-Officio Trustee is the Rector for the time being of St Giles Cripplegate with St Luke's, Old Street.

When Trustees have resigned in the two years past, the places have been left vacant in anticipation of the merger with Cripplegate Foundation. Following the decision not to merge in early 2004, the Trustees decided to begin the process of gradually bringing the Governing Body back up to its full strength of 18 Trustees. In May 2003, St. Giles PCC appointed Mr. Adrian Johnson, and in September the Trustees co-opted Mr Jack Gould and Revd David Allen to the Board. In September, Mrs Jo Luff resigned as a Trustee nominated by Age Concern Islington. The Trust will miss her knowledge of issues affecting older people across the Borough.

Trustees' responsibilities statement

Law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the charity's financial position at the end of the year and of its financial activities during the year. In preparing accounts giving a true and fair view the Trustees should follow best practice and:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the accounts comply with the Charities Act 1993 and the charity's schemes.

They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Trustees:

J Dolphin

Chairman

Approved by the Trustees

J Sheehan

Trustee

Independent Auditors' report to the Trustees of St Luke's Parochial Trust

We have audited the accounts on pages 16 to 31 which have been prepared under the accounting policies set out on pages 18 to 20.

This report is made solely to the charity's trustees, as a body, in accordance with Section 43 of the Charities Act 1993 and with regulations made under Section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees, as a body, those matters we are required to state to them in an auditors' 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's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described on page 13, you are responsible as trustees for the preparation of the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards.

We have been appointed as auditors under Section 43 of the Charities Act 1993 and report in accordance with the regulations under Section 44 of that Act. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the trustees' report is not consistent with the accounts, if the charity has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read other information in the trustees' report and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

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

Independent auditors' report 31 December 2004

Opinion

In our opinion the accounts give a true and fair view of the charity's state of affairs as at 31 December 2004 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993.

Buzzacott
Chartered Accountants and Registered Auditors
12 New Fetter Lane
London
EC4A 1AG

Statement of financial activities Year to 31 December 2004

	Notes	Endowment fund £	Restricted funds £	Unrestricted funds		Total 2004 funds £	Total 2003 funds £
				Designated funds £	Operational fund £		
Incoming resources							
Investment income	1	—	—	—	404,041	404,041	442,613
Donations, legacies and similar incoming resources	2	—	—	—	2,700	2,700	9,911
Incoming resources from:							
. Activities in furtherance of the charity's objectives	(3a)	—	57,537	—	50,071	107,608	132,672
. Activities for generating funds	(3b)	—	—	—	27,933	27,933	22,826
Total incoming resources		—	57,537	—	484,745	542,282	608,022
Charitable expenditure							
Pensions and Grants paid	4	—	—	—	62,041	62,041	61,341
Cost of activities in furtherance of the charity's objectives	5	—	76,582	—	663,894	740,476	803,907
Management and administration	6	—	—	—	33,448	33,448	39,129
Total resources expended		—	76,582	—	759,383	835,965	904,377
Net (outgoing) resources before transfers	7	—	(19,045)	—	(274,638)	(293,683)	(296,355)
Gross transfers between funds		—	—	(106,802)	106,802	—	—
Net (outgoing) resources for the year		—	(19,045)	(106,802)	(167,836)	(293,683)	(296,355)
Gains on the revaluation and disposal of investments	12	548,405	—	38,163	19,249	605,817	681,947
Net movement in funds		548,405	(19,045)	(68,639)	(148,587)	312,134	385,592
Balances brought forward at 1 January 2004		7,148,627	254,163	4,674,332	491,593	12,568,715	12,183,123
Balances carried forward At 31 December 2004		7,697,032	235,118	4,605,693	343,006	12,880,849	12,568,715

Balance sheet 31 December 2004

	Notes	2004 £	2004 £	2003 £	2003 £
Fixed assets					
Tangible fixed assets	11		2,416,809		2,497,348
Investments	12		10,430,551		10,005,491
			<u>12,847,360</u>		<u>12,502,839</u>
Current assets					
Stocks		—		1,458	
Debtors	13	93,937		119,807	
Cash at bank and in hand		13,626		88,401	
		<u>107,563</u>		<u>209,666</u>	
Creditors: amounts falling due					
Within one year	14	74,074		143,790	
Net current assets			<u>33,489</u>		<u>65,876</u>
Total net assets	16		<u>12,880,849</u>		<u>12,568,715</u>
Represented by:					
Funds and reserves					
Capital funds:					
. Endowment fund	15		7,697,032		7,148,627
Income funds:					
. Restricted funds	15		235,118		254,163
. Designated funds	15		4,605,693		4,674,332
. Operational fund – working capital	15		343,006		491,593
			<u>12,880,849</u>		<u>12,568,715</u>

Approved by the Trustees
and signed on their behalf by:

J Dolphin

Chairman

Approved on:

J Sheehan

Trustee

Basis of accounting

The accounts have been prepared under the historical cost convention, as modified by the inclusion of investment property at a valuation and the inclusion of investments at market value, and in accordance with the requirements of the Charities Act 1993.

Applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2000) have been followed in these accounts.

Incoming resources

Donations and gifts are credited to the statement of financial activities in the year in which they are received.

Distributions from unit trusts are credited to income on the dates on which the holdings are first quoted ex dividend.

All other income including grant and contract income is accounted for on an accruals basis.

Resources expended and the basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered.

Resources expended comprise the following:

- a. Pensions, which are paid annually, and other grants and gifts to beneficiaries are included in the statement of financial activities when paid to the intended recipient.
- b. The costs of activities in furtherance of the charity's objects comprise expenditure on the charity's primary charitable purposes as described in the trustees' report.
- c. Management and administration comprises those costs which are directly attributable to the management of the charity's assets, organisational procedures and the necessary legal procedures for compliance with statutory requirements.

Principal accounting policies 31 December 2004

Tangible fixed assets

All assets costing more than £250 and with an expected useful life exceeding one year are capitalised.

Depreciation has been calculated on a straight-line basis on cost at the following annual rates in order to write off each asset over its estimated useful life:

◆ Freehold buildings	2–5% per annum
◆ Furniture and equipment	10% per annum
◆ Computers	20% per annum
◆ Telephone and security systems	14% per annum
◆ Minibuses	18% per annum for 5 years to leave a remaining 10% representing its current residual value

Freehold land is not depreciated.

The carrying values of the buildings are being depreciated over their estimated useful economic lives.

Fixed asset investments

Fixed asset investments, including investment properties, are included on the balance sheet at their market value at the end of the financial period. Unrealised gains and losses are credited, or debited, to the statement of financial activities in the year in which they arise.

Stocks

Stocks are valued at the lower of cost and net realisable value. As a result of the outsourcing of the Centre catering the value of stock held at 31 December 2004 was negligible.

Fund accounting

Endowment fund

This fund is the permanent endowment of the Trust and represents the endowments made to the fund since its inception. Its income is used to fund all charitable objectives.

Restricted funds

Restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions.

Designated funds

Designated funds are those set aside from the Operational Fund and designated for specific purposes by the Trustees.

Operational fund

This fund is unrestricted and represents the working capital required for the efficient running of the Trust's activities.

Principal accounting policies 31 December 2004

Cash flow

The accounts do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 “Cash flow statements”.

Staff pension costs

Contributions in respect of the Trust’s participation in a defined benefit scheme are recognised in the statement of financial activities so as to spread the cost of pensions over employees’ working lives.

Notes to the accounts 31 December 2004

1 Investment income

	Total 2004 £	Total 2003 £
Investment Portfolio		
Fixed Interest Unit Trusts	111,580	176,885
Equity based Unit Trusts	288,804	262,795
	<u>400,384</u>	<u>439,680</u>
Rent		
Queen Mary & Westfield College	3,657	2,933
	<u>404,041</u>	<u>442,613</u>

2 Donations, legacies and similar incoming resources

	Restricted funds £	Operational fund £	Total 2004 £	Total 2003 £
Donations	—	2,700	2,700	2,216
Legacies	—	—	—	7,695
	<u>—</u>	<u>2,700</u>	<u>2,700</u>	<u>9,911</u>

3(a) Incoming resources from activities in furtherance of the charity's objectives

	Restricted funds £	Operational fund £	Total 2004 £	Total 2003 £
Leisure centre services				
. Meals	—	32,093	32,093	32,243
. Bar	—	7,873	7,873	8,304
Holiday income and other revenue receipts	—	10,105	10,105	30,400
Grants and contracts				
. London Borough of Islington Dementia Care Contract	26,843	—	26,843	26,220
. Corporation of London (Meals Service)	21,000	—	21,000	20,875
. Slipper Project	7,194	—	7,194	10,030
. HAZ Project	500	—	500	4,600
. Islington PCT	1,500	—	1,500	—
. EC1 New Deal (Summer Festival)	500	—	500	—
	<u>57,537</u>	<u>50,071</u>	<u>107,608</u>	<u>132,672</u>

3(b) Incoming resources from activities for generating funds

The Trust supplies the following services as a means of raising income to help meet its operational costs.

	Total 2004 £	Total 2003 £
Administration services for 2 (2003 - 3) local charities	5,345	8,020
Letting office accommodation		
. Cripplegate Foundation	5,000	5,000
. Other	14,190	6,065
Occasional lettings of leisure centre	2,622	1,910
Car parking charges	776	799
Profit on disposal of fixed assets	—	1,777
Reversal of bad debt provision	—	(745)
	27,933	22,826

4 Pensions, Grants and Gifts

	Total 2004 £	Total 2003 £
Pensions paid to 195 individuals (2003 – 213)	55,678	59,689
Pensions written back from prior years	—	(3,844)
Funding for pensions received from Anne Lyte's Pension Charity (7) (2003 – 7)	(1,967)	(1,897)
Television Licence Grants	3,067	4,013
Christmas Gift (Annual Calendar)	4,680	3,380
Other grants	583	—
	62,041	61,341

5 Cost of activities in furtherance of the charity's objectives

	Restricted funds £	Operational fund £	Total 2004 £	Total 2003 £
Members' Holiday and other activities	500	22,358	22,858	43,566
Staffing Costs (excluding meal service)	34,489	365,558	400,047	395,016
Meal Service and bar costs (including staffing)	21,000	83,937	104,937	121,863
Utilities and insurance	—	35,499	35,499	32,834
Maintenance and upkeep	—	67,344	67,344	72,852
Office costs	8,694	4,902	13,596	15,307
Minibus costs	—	3,159	3,159	5,479
Miscellaneous	—	6,081	6,081	11,364
VAT (refunded) disallowed	—	(2,127)	(2,127)	8,121
Depreciation	11,899	77,183	89,082	97,505
	76,582	663,894	740,476	803,907

6 Management and administration

	Total 2004 £	Total 2003 £
Legal and professional fees	21,098	24,229
Auditors' fees		
. For audit	10,000	9,000
. General advice	2,350	5,900
	33,448	39,129

7 Net (outgoing) resources before transfers

This is stated after charging:

	Total 2004 £	Total 2003 £
Staff costs (see note 8)	423,184	432,276
Auditors' remuneration:		
. for audit	10,000	9,000
. for other services	2,350	5,900
Depreciation	89,082	97,505

8 Staff costs and Trustees' remuneration

	Total 2004 £	Total 2003 £
Staff costs during the year were as follows:		
Wages and salaries	314,783	330,947
Social security costs	25,754	25,973
Other pension costs	71,154	59,856
	411,691	416,776
Redundancy costs	11,493	15,500
Agency staff costs	4,594	34,103
	427,778	466,379

Several members of staff are jointly employed by St Luke's and Cripplegate Foundation, and St Luke's share of their salary is included above.

One employee, jointly employed by St Luke's Parochial Trust and Cripplegate Foundation, earned remuneration of between £60,000 and £70,000 per annum (including benefits) during the year (2003 – 1). Employer contributions are made to a defined benefit scheme in respect of this employee.

The average number of full and part-time staff during the year was 15 (2003 - 18).

8 Staff costs and Trustees' remuneration (continued)

The average number of employees, calculated on a full time equivalent basis, analysed by function was:

	Total 2004	Total 2003
Direct charitable	10	11
Management and administration of the Trust	3	4
	13	15

No Trustee received any remuneration in respect of their services during the year (2003 - £nil).

No expenses were reimbursed to the Trustees during the year (2003 - £100).

9 Indemnity insurance

Professional Indemnity insurance was taken out to protect the Trust from loss arising from claims made against it by reason of any wrongful act committed by the charity, its employees or any other person, firm or company director appointed by and acting on behalf of the charity. The cost in 2004 was £2,219 (2003 - £2,002). This cover was extended at no extra cost to include Executive Liability which provides cover for the Trustees. The limit of indemnity is £500,000 per claim.

10 Taxation

St Luke's Parochial Trust is a registered charity and therefore is not liable to income tax or capital gains tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

The Trust is unable to reclaim all VAT suffered on expenditure due to the partial exemption rules. However, irrecoverable VAT suffered during the year was more than offset by a refund received in respect of the previous year, giving a net credit of £2,127 (2003 – net cost of £8,121).

11 Tangible fixed assets

	Freehold Land and Buildings £	Furniture, equipment and minibus £	Total £
Cost			
At 1 January 2004	2,726,799	520,888	3,247,687
Additions	6,085	2,458	8,543
At 31 December 2004	<u>2,732,884</u>	<u>523,346</u>	<u>3,256,230</u>
Depreciation			
At 1 January 2004	302,302	448,037	750,339
Charge for year	54,658	34,424	89,082
At 31 December 2004	<u>356,960</u>	<u>482,461</u>	<u>839,421</u>
Net book values			
At 31 December 2004	<u>2,375,924</u>	<u>40,885</u>	<u>2,416,809</u>
At 31 December 2003	<u>2,424,497</u>	<u>72,851</u>	<u>2,497,348</u>

11 Tangible fixed assets (continued)

The freehold land and buildings consists of the St Luke's site in Central Street, EC1. Part of the site is leased to the Cripplegate Foundation (see note 18). Another building on the site, the cinema complex/conference centre, was demolished after the year end as part of the preparations for a planned redevelopment of the site.

12 Investments

At 31 December 2004 the investments were held in registered charity unit trusts.

	Endowment fund £	Designated funds £	Operational fund £	Total 2004 £	Total 2003 £
Market value					
Investments in unit trusts					
1 January 2004	7,148,626	2,462,427	345,438	9,956,491	9,424,544
Additions – at cost	2,779,526	—	187,464	2,966,990	—
Disposals – proceeds	(2,779,526)	(2,500,590)	(338,137)	(5,618,253)	(150,000)
Realised (losses)/gains	(20,602)	38,163	(3,883)	13,678	1,013
Unrealised gains	569,007	—	23,132	592,139	680,934
31 December 2004	7,697,031	—	214,014	7,911,045	9,956,491
Cash held for investment	—	2,470,506	—	2,470,506	—
Investment property	—	—	49,000	49,000	49,000
	7,697,031	2,470,506	263,014	10,430,551	10,005,491

Listed investments held at 31 December 2004 comprised the following:

	Percentage of total market value %	Endowment fund £	Designated funds £	Operational fund £	Total 2004 £	Total 2003 £
Income shares						
COIF charities fixed interest fund	—	—	—	—	—	2,326,454
CAF charities income fund	—	—	—	—	—	314,276
CAF charities balanced growth fund	—	—	—	—	—	1,496,679
COIF charities investment fund	45	4,639,052	—	—	4,639,052	5,815,664
M&G Charifund	31	3,057,979	—	210,233	3,268,212	—
Accumulation shares						
COIF charities investment fund	—	—	—	3,781	3,781	3,418
Cash held for investment	24	—	2,470,506	—	2,470,506	—
	100	7,697,031	2,470,506	214,014	10,381,551	9,956,491
Historical cost at 31 December 2004		7,602,733	2,470,506	187,465	10,260,704	10,618,142

12 Investments (continued)

Investment property

	Operational Fund	
	Total 2004 £	Total 2003 £
Market value		
1 January 2004 and 31 December 2004	49,000	49,000
Historical cost at 31 December 2004	26,198	26,198

The freehold interest in the investment properties forming part of Queen Mary and Westfield College campus in Mile End Road, London E1, was valued by external valuers as at 31 December 1996. Messrs Humberts, Chartered Surveyors valued the property on the basis of open market value in accordance with the Appraisal and Valuation Manual 1995 as amended of the Royal Institution of Chartered Surveyors.

The sources of information and assumptions made in producing the valuation are laid out in the Valuation Report.

In the Trustees' opinion the value of the property at 31 December 2004 has not changed significantly.

13 Debtors

	Total 2004 £	Total 2003 £
Amounts receivable within one year		
Investment income receivable	57,238	100,212
Prepayments and accrued income	15,165	7,571
Other debtors	20,001	10,461
Due from connected charities	1,533	1,563
	93,937	119,807

14 Creditors: amounts falling due within one year

	Total 2004 £	Total 2003 £
Suppliers	6,593	12,406
PAYE and social security	4,946	8,114
Other creditors and accruals	34,363	44,614
Due to connected charities	1,831	60,678
Deferred income	26,341	17,978
	74,074	143,790

Included in other creditors is an amount of £3,978 (2003 - £6,088) of pension contributions (see note 19).

15 Statement of Funds

	At 1 January 2004 £	Movements in funds		Transfers and Unrealised gains/(losses) £	At 31 December 2004 £
		Incoming resources £	Expenditure £		
Endowment Fund	7,148,627	—	—	548,405	7,697,032
Restricted Funds					
Cripplegate Foundation	80,561	—	(1,751)	—	78,810
Peabody Trust	43,158	—	(938)	—	42,220
Whitbread Trusts	8,153	—	(177)	—	7,976
	131,872	—	(2,866)	—	129,006
National Lottery Charities Board	92,000	—	(2,000)	—	90,000
Bridge House minibus fund	19,145	—	(7,033)	—	12,112
London Borough of Islington contract payment	—	26,843	(26,843)	—	—
Corporation of London meals service grant	—	21,000	(21,000)	—	—
HAZ (Accessible Transport) Grant	4,600	500	(5,100)	—	—
Slippery Slippers Project Grant	6,546	7,194	(11,240)	—	2,500
Islington PCT grant	—	1,500	—	—	1,500
EC1 New Deal Summer Party	—	500	(500)	—	—
Total Restricted Funds	254,163	57,537	(76,582)	—	235,118
Designated Funds					
Major Repairs fund	310,000	—	—	—	310,000
Cyclical Maintenance fund	110,000	—	—	—	110,000
Fixed Assets fund	2,254,332	—	—	(68,639)	2,185,693
Continuity of Care fund	2,000,000	—	—	—	2,000,000
Total Designated Funds	4,674,332	—	—	(68,639)	4,605,693
Operational Fund	491,593	484,745	(759,383)	126,051	343,006
Total Funds	12,568,715	542,282	(835,965)	605,817	12,880,849

Endowment Fund

The Endowment Fund is the permanent endowment of the Trust and represents the endowments made to the Trust since its inception.

15 Statement of Funds (continued)

Restricted Funds

Grants from Cripplegate Foundation, Peabody Trust and Whitbread Trust were for the extension of the dining room and refurbishment of offices at 92 Central Street. The award from the National Lottery Charities Board was for refurbishments to the freehold property and are being amortised at the same rate as the Fixed Assets are being depreciated over their useful lives.

The Bridge House Estates Trust Fund grant was donated towards the cost of a new minibus. The asset is being depreciated.

The London Borough of Islington payment was received to fund the care of those suffering from early dementia.

The Corporation of London grant was received towards the cost of providing the meals service.

The HAZ (Accessible Transport) grant payment was received to fund a printed guide to accessible transport for older people in Islington. The work was completed in 2004.

The Slippery Slippers Project payment was received to fund the prevention of falls within the home. The project will be completed in 2005.

The grant from Islington PCT was towards the cost of the Older People Strategy Mobility Theme Group.

The grant from EC1 New Deal was received towards the cost of a summer festival held at St Luke's in 2004.

Designated Funds

The Major Repairs Fund is an unrestricted fund, expendable at the discretion of the Trustees, which has been designated to meet the future costs of extraordinary repairs, improvements or rebuilding. The fund is built up out of income to levels which are deemed prudent in relation to requirements and can be made readily available in cash. The policy of the Trustees is to restore the fund after each tranche of major expenditure, to a level of at least £310,000 as soon as practicable. The policy is subject to monitoring in the light of surveyors' periodical reports.

The Cyclical Maintenance fund is an unrestricted fund, expendable at the discretion of the Trustees, which has been designated to meet the future costs of ordinary maintenance and repairs which recur at infrequent intervals.

The Fixed Assets fund comprises the net book value of the Trust's tangible fixed assets not represented by restricted funds. A decision was made by the Trustees to separate this fund from the operational fund in recognition of the fact that the tangible fixed assets are used in the day to day work of the charity and hence the fund value would not be easily realisable if needed to meet future contingencies.

15 Statement of Funds (continued)

Designated Funds (continued)

The Continuity of Care fund comprises monies set aside by the Trustees to provide a regular source of funds to the Trust which will be used to meet operating costs in the future. During the year the fund was reduced to £2 million in order to meet the liabilities on the Operational Fund.

Operational Fund

This fund is unrestricted and represents the working capital required for the efficient running of the Trust's activities.

16 Analysis of net assets between funds

	Endowment fund £	Restricted funds £	Designated funds £	Operational fund £	Total 2004 £
Fund balances at 31 December 2004 are represented by:					
Tangible fixed assets	—	231,118	2,185,691	—	2,416,809
Investments	7,697,032	—	2,470,505	263,014	10,430,551
Net current assets/(liabilities)	—	4,000	(50,503)	79,992	33,489
Total net assets	7,697,032	235,118	4,605,693	343,006	12,880,849

17 Staff pension commitments

The Trust contributes to a defined benefit pension scheme for its employees, Cripplegate Foundation Pension & Assurance Scheme. There are two other employers in the scheme, namely the Cripplegate Foundation, the principal employer of the scheme, and Cripplegate Schools Foundation. The scheme is funded and is contracted out of the state scheme. Trustees are appointed by the employers and by contributing scheme members. The assets of the scheme are held separately from those of the Foundation in consensus funds managed by Legal & General Assurance Society Ltd. The Trustees of the Scheme appointed Robert Fleming Benefit Consultants Ltd to administer the Scheme, and they became FPS Benefit Consultants Ltd during the year. The scheme provides life assurance and pension benefits based on years of service and final pensionable salary.

The Trust paid contributions at the rate of 27.3% during the accounting period. The reasons are set out below. Member contributions were 5% for the first three months of the accounting period and 6% from 1st April onwards. The last formal Minimum Funding Requirement (MFR) valuation of the scheme was performed at 6 April 2002 by a professionally qualified actuary. The valuation used the current unit method with an eight year control period. The next formal valuation will be performed at 6 April 2005.

17 Staff pension commitments (continued)

The valuation indicated that the assets of the fund covered 97.8% of its liabilities. To ensure that funding achieved 100% within the period prescribed in the Pensions Act 1995, the actuary recommended that the employers' contribution increase to 18.6% with effect from 1 March 2003.

Having completed the MFR valuation, at the request of the trustees, the actuary went on to value the fund on an ongoing basis. This indicated that to fund the benefits and reduce the possibility of any deficit, the employer contribution would need to increase to 27.3% from 1 April 2003. Employers agreed to fund the scheme to this level from that date but judged that it was not affordable in the longer term. Accordingly a full scale review of the scheme was implemented with the aim of identifying options for maintaining the scheme on a final salary basis but reducing the cost to the employers.

The review was completed in June 2003 and it was agreed to change the basis of benefit from 1/60th of final salary to 1/80th, to limit pension increases to the lesser of RPI or 5% and to increase the employee contribution from 5% to 7.5% over a period of two years from 1 April 2004. Members have been consulted on the changes and individual advice on future pension benefits has been made available to them.

The accounts charge for the period represents the employer contribution payable, which was £69,199 (2003 - £57,268). At 31 December 2004 unpaid contributions amounted to £3,978 (2003 - £6,088).

FRS17

Under the definitions set out in Financial Reporting Standard 17 (Retirement Benefits), the Cripplegate Foundation Pension & Assurance Scheme is a multi-employer pension scheme. Under this scheme, the contribution rate required of the Trust is set on a grouped basis, combining the experience of all three scheme employers. Within this group, assets and liabilities are not separately identified between the various employers as part of the triennial actuarial valuations. As a result, the Trust has been unable to obtain information identifying its share of the underlying assets and liabilities of the scheme. These accounts have been drawn up in accordance with FRS 17 on the basis that the pension cost is accounted for as a defined contribution pension scheme.

Financial assumptions

At 6 April 2002, the scheme was 97.8 funded under the Minimum Funding Requirement rules. The actuary conducted his valuation on an on-going basis, using a market-led valuation approach. The financial assumptions underlying the valuation were as follows:

Investment returns before retirement	8.25 % pa
Investment returns after retirement	5.50 % pa
Price inflation	2.75 % pa
Salary increases	3.75 % pa
Pension increase	2.75% pa for 5% LPI increases

17 Staff pension commitments (continued)

Financial assumptions (continued)

The scheme's assets are invested in three Index Funds. During the year, the trustees reviewed the asset allocation, after taking advice, and agreed to make switches from fixed interest to equities over the course of the year. At the balance sheet date the assets were held in the following proportions:

Global Equity Index Fund	74.97%
Over 15 year Gilt Index Fund	11.13%
AAA Fixed Interest over 15 year Index Fund	13.90%

Because of changes in the market, the assets currently have a greater weighting in fixed interest stocks than planned. The position is being reviewed by the Trustees of the Scheme. At the date of the last valuation, the market value of the Scheme's assets was £2,653,098. On an ongoing basis the past service liabilities exceeded the market value of the assets by £412,000.

18 Connected charities and related party transactions

The Trust is jointly administered with Cripplegate Foundation. Where joint costs arise these are allocated by agreement between the two charities, some of whose trustees are the same.

The Trust has leased part of its property at 90 Central Street, London, EC1V 8AQ, to the Governors of Cripplegate Foundation, for the purpose of constructing offices for the use of the Foundation. The term of the lease is 125 years from 13 October 1995 at an initial rent of £5,000 per year, with a review every tenth anniversary.

St Luke's Parochial Trust carried out all administration, accounting and the duties of the Clerk, for Finsbury Educational Foundation and Anne Lyte's Pension Charity. During the year, St Luke's Parochial Trust received administration income of £5,220 (2003 - £5,370) from Finsbury Educational Foundation and £125 (2003 - £250) from Anne Lyte's Pension Charity. At 31 December 2004, St Luke's Parochial Trust was owed £1,533 (2003 - £1,563) by Finsbury Educational Foundation, owed £688 (2003 - £567) to Anne Lyte's Pension Charity and owed £1,143 (2003 - £60,112) to Cripplegate Foundation.

The address of each of these charities is 90 Central Street, London, EC1V 8AQ

The majority of Trustees for Finsbury Educational Foundation are appointed by St Luke's Parochial Trust from amongst its own Trustees.

For Anne Lyte's Pension Charity, St Luke's Parochial Trust provides all the Trustees, and holds and invests cash accruing to this Charity.