



LHA LONDON LTD

ANNUAL REPORT

2019/2020



LhaLondon

the heart of London Living

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To view previous years
Annual Report visit our
website at
www.lhalondon.com/about/

Our Values

LHA London Ltd (LHA) was originally created to give shelter to those made homeless by the Blitz; LHA London has been providing high quality accommodation since 1940 in Central London.

LHA is a London based charity that provides young people with long-term, affordable co-living accommodation they love and can afford.

Here, they can feel safe, socialise and decide whether or not to make London their permanent home.
All without breaking the bank!



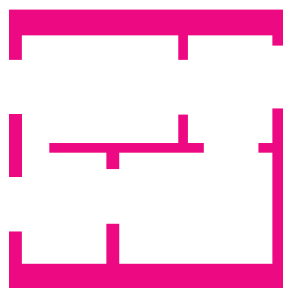
Safety and Secure

All our hostels have secure key fob access, with CCTV coverage and a member of staff on hand 24 hours a day. You'll also find every guest has a lockable drawer and/or a safe in their room.



Affordable

Providing affordable accommodation, inclusive of all bills, Wi-Fi and contents insurance. Reward schemes and discounts available for 18-29 year-olds.



Flexibility

All our hostels operate a 1 week's notice period. Residents can stay up to 4 years. Our hostels have the option of catered or self-catered accommodation. We combine freedom and safety at every hostel located within London Underground Zones 1 and 2.



Home from Home

Our co-living accommodation helps our residents meet many like-minded people. But whatever your situation, we're here to help provide a great start in London for all our guests.

Message from our Chair & CEO



Tony Perkins
CEO



David Conroy
Chair

London is undoubtedly a different place now than it was just a few short months ago. As we face a new set of challenges, we are grateful for all who have worked so hard to make our charity as strong as it is. The LHA 2019-20 Annual Report captures a moment in time, as we celebrated our 80th anniversary. It also illustrates that we are well positioned to navigate the challenges we are facing in the current environment.

We have managed the pandemic with the support of resourceful hostel teams, but the impact of the coronavirus is unlike anything we have ever seen. The hospitality and other industries, so critical to our young residents, has virtually shut down. As a result, we have had to take quick and decisive action to mitigate the impact of this pandemic – including relentlessly managing all costs and introducing our LHA Covid19 safe and secure safeguarding to ensuring we have been able to continue operating every day during these unprecedented times.

Throughout this period, we have been vigilant in keeping our Team Members and our residents safe. And while the near-term accommodation environment may be challenging, we believe the fundamentals of what we do – protecting our residents – will only grow in importance in the months and years to come. To prepare for recovery, we are actively engaging with all of our stakeholders to ensure we are ready to respond to the changing travel and work preferences that will inevitably result from this pandemic. Our residents have appreciated us working day and night to support their LHA home environment. We have been able to support our residents during the early stages of the pandemic with rent deferral and discount schemes and continue to provide our full catered service where appropriate.

We continue to provide support to partner charities through the LHA Fund and this year saw the expansion of the LHA Fund to an all time high of 13 charities to whom we provided over £300,000 of funding. We were also proud to provide additional emergency Covid19 support to our LHA Fund partner charities with targeted donations at this most critical time.

Residents' Voice

"I'd like to thank all the staff and organization for supporting me on this complicated times, I really appreciate it. "

Bowden Court Resident

"I arrived earlier in the year with a view to staying perhaps a few weeks only. Then Covid-19 struck and lockdown came into effect. I really wish to say how thankful I am that I came across such a wonderful place to stay, offering a safe and secure 'sanctuary' whilst the pandemic spread and caused havoc everywhere."

Belsize House Resident

"All the front of house staff are great. Manager and assistant manger are excellent. Volunteers do a great job. The extra cleaning during the COVID pandemic is good. Staff at Railton take COVID seriously."

Railton House Resident

"Volunteers are gems. The building looks clean and well maintained. The rent allows me to afford a decent life and minimize travels to work."

Belvedere House Resident

Message from our Chair & CEO continued

We took the opportunity in September 2020 to prepare two of our hostels to provide nearly 100 beds for emergency accommodation with our LHA Fund recipient partner Glass Door homeless charity. The provision commenced in November 2020 and will continue over the winter period.

As a London centric charity, we are mindful of a post-Brexit and Covid world and have strengthened our processes to prepare for potential impact on our staff, residents and volunteers.

We have continued our quest for new opportunities to provide hostels in new locations. Our recent purchase of a hotel in West London is currently moving through the planning process to provide over 100 new single en-suite rooms. We are also developing innovative strategies to increase bed numbers at existing sites.

Our thanks extend to the Board of Trustees, our staff and our volunteers for their support throughout the year. This year has seen 3 Trustees undertaking their first year of tenure. LHA prides itself in the selection and deployment of appropriate skill sets to ensure excellent governance. Also this year, Board of Trustees recognised the need to develop new strategies for our challenging times in order to ensure that we are in touch with the developing needs of our target residents. Accordingly, we set up a Trustee Strategy Working Group to guide our thoughts and to outline a programme of work for the coming year. This programme will have a series of work streams focused on equipping the charity to continue to develop and thrive sustainably into the future.

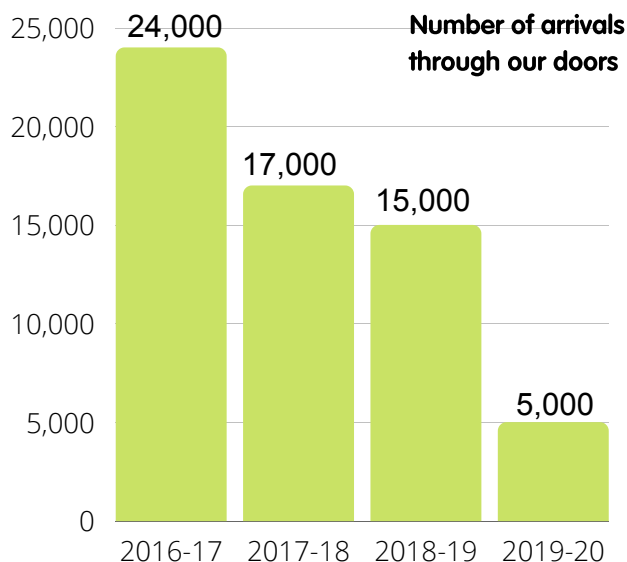
We are confident that we will emerge from this period a stronger, more resilient charity. And when our residents are able to travel again, we will be ready, once again, to fully achieve our charitable objectives that we have proudly pursued for the last 80 years.



Tony Perkins
CEO



David Conroy
Chair



Reduced number of arrivals year on year usually reflects improvement in length of stay and an increased number of long-term residents. This year Covid-19 impacted the arrivals due to national lockdown from March 2020.

Building our Social Impact



Percentage of our staff
prepared to go the
extra mile

92%



Median age of our
residents in the
financial year

33



Number of properties
across London

14



Number of beds in
shared rooms

963



Percentage of our
volunteers who feel
their work is
significant/impactful

93%



Number of arrivals
over

4900



Number of volunteer
placements

389



Number of catered sites

4

Building our Social Impact

We have continued to make significant social impact across our accommodation, volunteer programme and LHA fund.

By providing accommodation, we transform spaces into places and places into neighbourhoods. Our employees live alongside our residents and volunteers creating supported social spaces within our buildings. We survey our residents to gain feedback on our social impact and to monitor how our investments in services and programmes to improve people's quality of life, health and well-being. We continuously strive to further improve our social impact with the LHA Rewards Scheme making our shared rooms even more affordable. We pride ourselves on providing centrally located accommodation, allowing young people to combine working and studying in the local community.

We continue to deliver:

- A volunteer programme to deliver opportunities for young people to combine study and work in the local community
- All-inclusive weekly room fees providing full catered or self-catered services to encourage young people to meet in communal spaces.
- Initiatives with our partner charities to identify opportunities for housing and supporting more vulnerable young people in the community.
- Capital projects within our partner charities to further improve social impact in the community.



LHA's 80 Year Legacy



LHA London is a charity with an 80-year legacy of helping people through its strong belief that affordable accommodation in London can be made better and less costly through continual innovation.

We have always kept to our values of flexible, affordable, safe and secure, and home-from-home accommodation. Respect and personal attention is at the heart of our strategy. The charity is committed to increasing social impact through its core activity. Through the LHA Fund we have dedicated ourselves to charitable initiatives that reflect the core mission. Since the LHA was founded in 1940, it has reinvented itself over the decades but remains consistent in its vision to become the most trusted name in London affordable hostel solutions.

LHA Advisers

Auditors

Mazars LLP
6 Sutton Plaza, Sutton Court Road,
Sutton, Surrey SM1 4FS

Investment Advisors

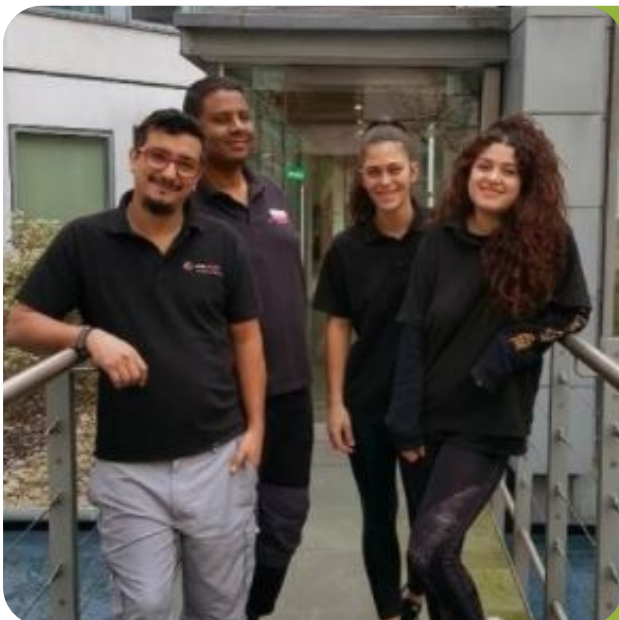
Barclays Wealth - No.1 Colmore Square,
Birmingham B4 6ES
HSBC Plc - 8 Cork Street, London, W1S 3LJ

Bankers

Barclays Bank Plc. - Level 27, 1 Churchill Place,
London E14 5HP
Allied Irish Bank Plc. - 4 Tenterden Street,
London W1S 1TE

Solicitors

Batt Broadbent - Minster Chambers, 42/44
Castle Street, Salisbury, Wiltshire SP1 2TX



Volunteer's Voice

"Volunteering for LHA at Friendship House has been an amazing choice. The place is really near everything, with good bars and pubs around, and even with the supermarket just behind the hostel! We are really happy we can share this experience together, and with all the facilities and help that the hostel and other volunteers give us."

Volunteer Team

Committee Structure

Finance, Audit & Risk Committee

Alexandra Whiston-Dew
Chair

David Conroy

Giles Byford

Toyin Miller

Peter Frackiewicz

Property Oversight & Projects Committee

Sue Johnson
Chair

Peter Frackiewicz

Annalise Jalland

Kay Buxton

People Committee

Ali Mohammed
Chair

Alec McTavish

David Conroy

Alexandra Whiston-Dew

Social Policy Committee

Alec McTavish
Chair

Alison Craze

Toyin Miller

Petra Green

Bonnie Chiu

LHA Services Limited

Tony Perkins, FRSA
Chief Executive &
Company Secretary

Marsha Gair, FCCA
Finance Director

Alexandra Whiston-Dew
Chair

David Conroy

Alec McTavish

LHA London Ltd

Registered Charity No. 169428

Company Registration No. 363816

Registered Office: 11 Belgrave Road, London SW1V 1RB

LHA Services Ltd

Company Registration No. 3424128

Registered Office: 11 Belgrave Road, London SW1V 1RB

Trustees



David Conroy
Chair
BA, MCIPD

Chartered member of the Institute of Personnel and Development. Currently an independent management consultant.



Alexandra Whiston-Dew
Vice-Chair
MA

Practising solicitor advising on privacy, media and commercial litigation matters. Graduate of Edinburgh University and BPP University. Member of the Honourable Society of Lincoln's Inn.



Sue Johnson
BA (Hons) DIP Arch

Retired architect. Partner in private practice with 30 years' experience in Central London redevelopment projects, in particular in residential work and listed buildings. Previous Director of Wren Insurance Association.



Alec McTavish
MSc (Econ); BSc (Econ); FRSA

Entered the Civil Service and worked as an Economic Adviser in various Government Departments. Joined British Rail and became Director of Business Systems. At rail privatisation was appointed a Director at the Association of Train Operating Companies



Giles Byford
MA (Hons), M.Sci, ACA

Chartered Accountant, currently working Strategy Group Director for BGL. Previously various roles at RBS, Barclays and PWC.



Kay Buxton
BA (Hons), BTP, MRTPI

Chartered town planner specialising in urban policy and regeneration. Currently heading up Paddington developments and two neighbouring Business Improvement Districts.



Alison Craze
BA, Dip SW

Retired Social Worker specialising in children and families. Previously employed by the British Council working with overseas postgraduate students.



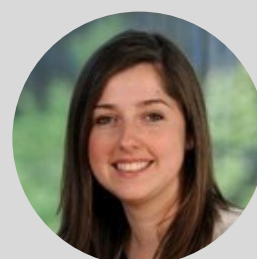
Petra Green
BA (Hons), PGDip

Marketing and Publishing professional. Has held senior roles at various publishing and media companies, including Haymarket Media and Forbes Media.



Peter Frackiewicz
BSc FRICS MAPM

Extensive experience on working on challenging projects at Land Securities. Currently semi-retired and working on variety of projects either voluntarily or as an independent consultant.



Annalise Jalland
BSc (Hons), MSc, MRICS

Chartered Surveyor currently working as an Asset Manager at British Land. Previously held various roles at British Land and CBRE. Graduate of York University and the University of Reading.



Bonnie Chiu
BBA, MSc

An award-winning social entrepreneur, gender equality advocate and social impact consultant. Recognised as a Forbes 30 Under 30, she is also a Senior Contributor on Forbes writing on gender and diversity.



Toyin Miller
BA (Hons)

A social investment professional with significant experience in banking, loan structuring and real estate debt transactions. Experience in support of the Third Sector with main focus on delivery of innovative investment and finance to enable charities/social enterprises in the UK to deliver and growth their social impact.



Ali Mohammed
BA (Hons), MSc

Chartered Fellow of the Chartered Institute of Personnel and Development. Over 30 years' senior experience in HR in the NHS and currently also an executive director at South East Coast Ambulance Service.

Board of Trustees Governance

We take the Governance responsibilities of the Board of Trustees seriously. We observe the Charity Commission governance code. Our Board comprises trustees with professional qualifications in planning, construction, project management, economics and finance, HR, social policy and law, giving great breadth of skills at Board level. Trustee training is an ongoing process and includes external courses as appropriate for specific needs and circulation of newsletters and updates from the Charity Commission.

We enhance our Board Performance by careful analysis of complementary skill sets and through an independently conducted annual self-appraisal process.

Whilst preserving continuity, diversity and experience, we seek an orderly rotation of trustees to refresh the Board skill set. LHA considers rigorous review should a trustee consider standing for a fourth reelection. Recruitment of new trustees is carried out through a bi-lateral approach of networking and using the professional recruitment services of BAME Limited, one of the premier providers of trustee candidates for the Charity sector.

Prior to appointment, potential trustees follow the LHA three phase selection process, which comprises an interview with the Chairman and Chief Executive and a tour of LHA facilities, an interview by a Selection Panel of trustees and finally an invitation to shadow a Board Meeting and be formally appointed at the following AGM. There is a formal induction process for new trustees, which includes a trustee familiarisation pack.

The Board follows Charity Commission Governance guidelines by basing current Board numbers at twelve members. The Board has completed the process of appointing the Vice Chair. Charity Commission governance training has also been completed by an external consultant.



Resident's Voice

"I am a long-term resident here and would definitely recommend it. The location is a 15-20 minute walk to Hyde Park and there are plenty of places to eat close by and for other necessities Post/ GP/ Groceries etc. The staff are very friendly and helpful, and any problem is usually fixed soon. It's a really clean new building and some of the rooms on the higher floors have great views of London."

Torquay House

LHA Benefits to Residents in Central London

The Board has considered the general guidance on public benefit issued by the Charity Commission, has taken due regard of the guidance and is satisfied that the Charity's activities do provide wider public benefit.

The public benefit arising from LHA's work is clear in the services delivered. The assistance given to young working people and students to help them reside in prime locations at below market rent with easy entry low deposit and easy exit together with just 7 days' notice is clearly a benefit to society as a whole not just the beneficiaries themselves.

We provide key benefits to our residents to ensure that the LHA remains well placed in the affordable accommodations sector. Benchmarking our room rates continues to demonstrate significant advantages to those with limited means. Our low deposit of £200 opens the door to young working people and students with limited reserves.

We are proud to continue our 'Easy Entry' policy which is one of the lowest deposits for long term accommodation provision in the Capital. We are committed to an 'all-inclusive deal'. LHA weekly room rates include the television and license package and we also include contents insurance inclusive of laptop cover, with free gym facilities at our LHA life option sites.

Benefiting the public with just a simple seven day notice requirement to departing residents, gives a rare opportunity for young people new to London to have genuine flexibility when planning to move on.

We are keen to maintain our 'Family Feel' by providing safe and secure accommodation. All LHA sites have 24 hour 'live-in' staff. Affordable packages across a diverse range of room formats places LHA in a strong position to continue to benefit working people and students in the Capital.

Room cleaning services with linen provided and laundered is much valued by our residents. We will effectively support the community by providing affordable accommodation in London enabling reduced costs for young working people and students in the Capital.

Residents' Voice

"I would like to thank LHA for your assistance and support these past few months during the pandemic. It is very much appreciated!! I will definitely return to Davies Court as soon as possible."

Davies Court Resident

"Fantastic customer service at Leinster House. By far the most helpful and friendly staff ever. Everyone from management to receptionists and cleaners will go out of their way to help out and to make your stay easier. The level of cleaning is outstanding. All in all, this hostel exceeded my expectations, and they deserve a 10 out of 10 without any doubt."

Leinster House Resident

"The measures during Coronavirus pandemic were great. And received good financial aid when I was not able to pay my whole rent."

Belsize House Resident

Management Team

Our management team provide a great combination of skill sets. We are working hard to push the Charity forward. We recognise that it is important to invest in people if the business is to progress. The year ahead will bring new challenges but we believe our strategy is sound.

The Board determines the policy, ensures the proper management of the LHA and provides effective guidance and leadership to the Chief Executive, the executive team and employees of LHA. The Board appoints the Chief Executive who reports to the Board at their meetings. The Board set senior management remuneration by reference to market benchmarking.

Trustees are, individually and collectively, responsible for the overall governance and strategic direction of the organisation.



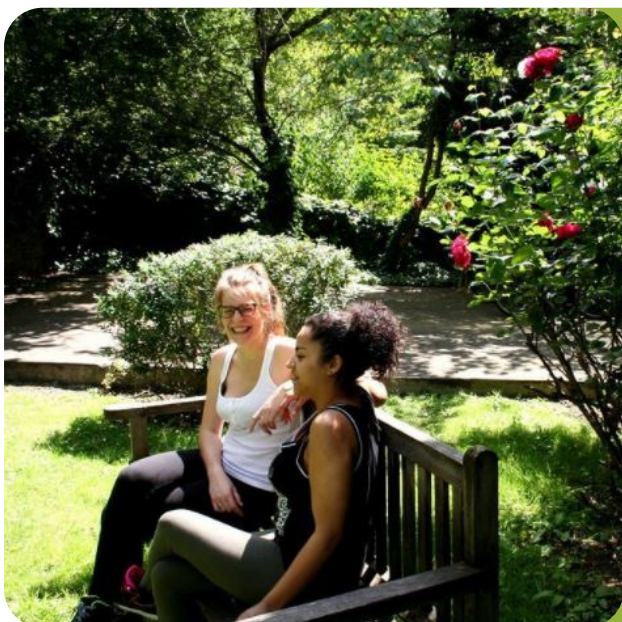
Tony Perkins
CEO



Marsha Gair
Finance Director



Ben Atwell
Head of Operations



Resident's Voice

"Great place to stay, in the heart of Bayswater, on a quiet residential road, in a friendly village atmosphere, with good restaurants and shops nearby. This property has excellent facilities, with friendly and helpful staff and professionally run by LHA, a first class reputable company."

Railton House

Building on our Current Success in 2019/20

Investing in and protecting our property portfolio is paramount. During the financial year we spent over a million pounds on major refurbishments and capital expenditure.

Our largest site, Bowden Court, benefited from major upgrades in shower, washroom and room upgrades. Our self-catered Kensington site, Halpin House, saw the continuation of a major internal refurbishment. Holland House external repairs and redecorations were also completed.

Alongside the above significant projects, we replaced and upgraded plant and equipment when necessary.



External repairs & redecorations at Holland House

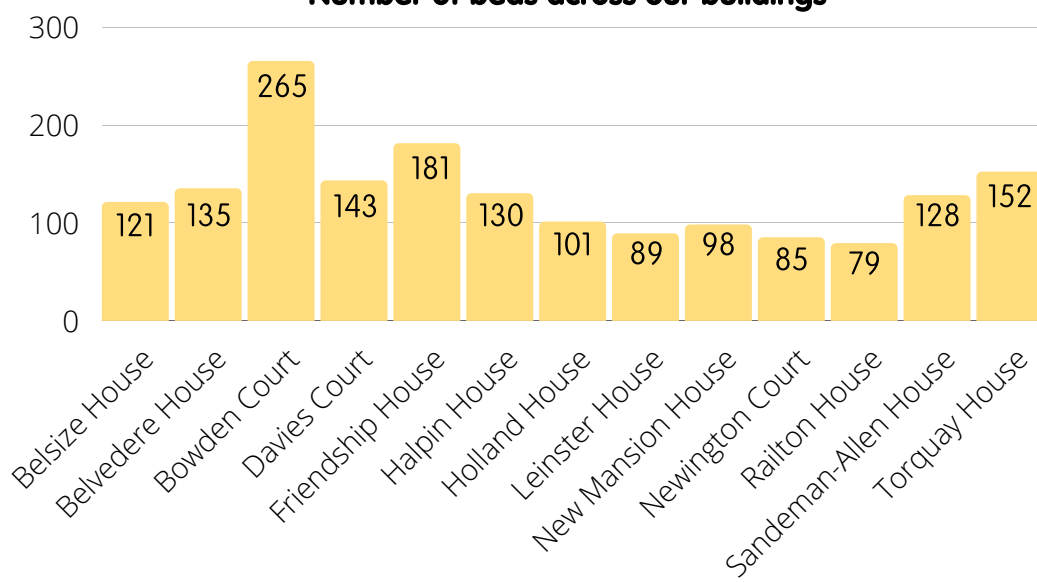


Major internal refurbishment at Halpin House



Room upgrades at Bowden Court

Number of beds across our buildings

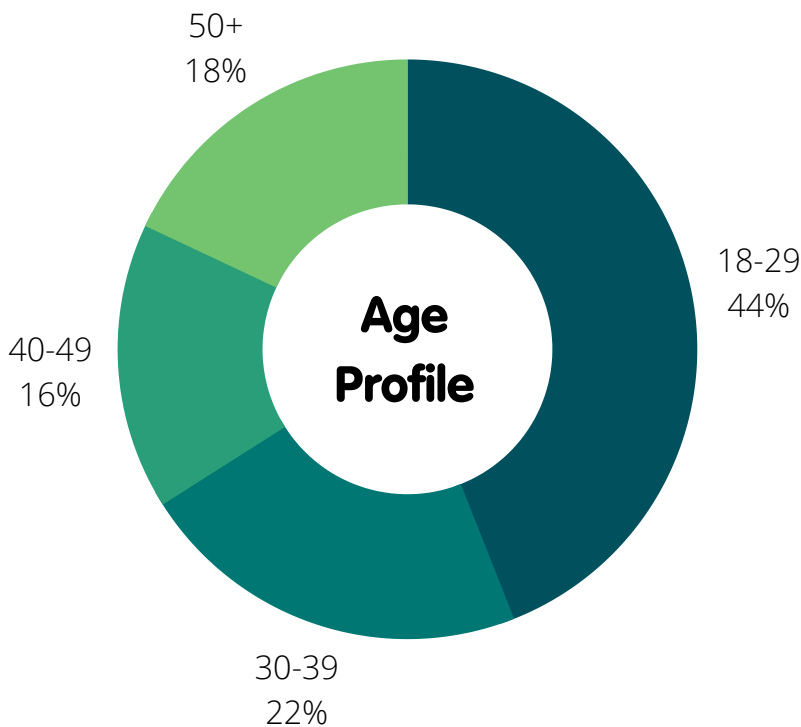
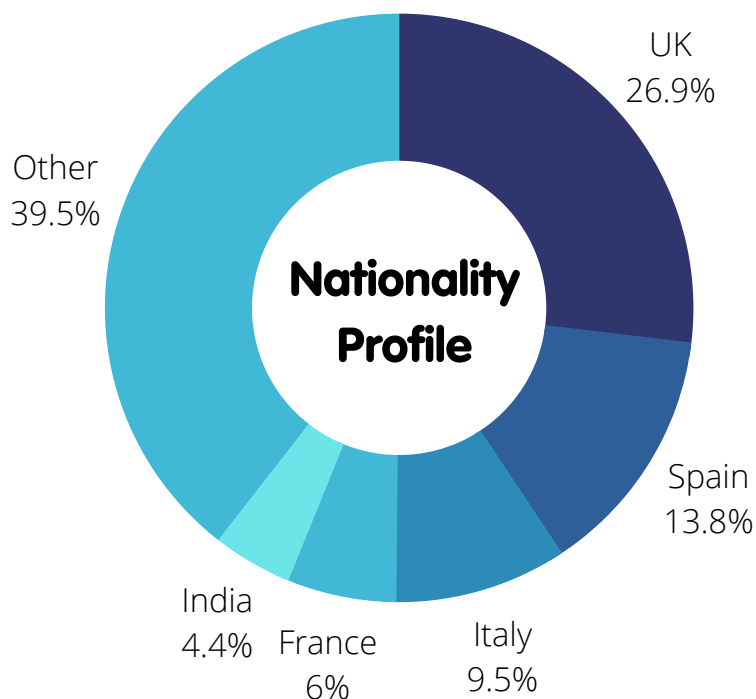


Residents

Typically, LHA's residents fit into 1 of 4 categories: interns, young working people, domestic students and international students.

LHA London provides affordable long-term accommodation in the city centre. We have accommodation for every need, taste and budget with private rooms as well shared accommodation with a co-living environment.

Strategically situated near universities and tube stations, you can easily get to university or work with minimal transport time and cost. With hostels near famous London parks, museums, pubs and tourist spots, we ensure our beneficiaries' stay with us will be much more fun and enriching.



Percentages reflect average across the financial year



Resident's Voice

Meet our resident from Halpin House

Debora and her new LHA friends! "I share my room with 3 other girls from different parts of the world. We have a lot of fun together and have become great friends. Now we go out together when we are free, and we also like to cook and share with our friend's dishes from our countries. It's comfortable and convenient in this accommodation, and we can find a lot of shops nearby and two underground stops."

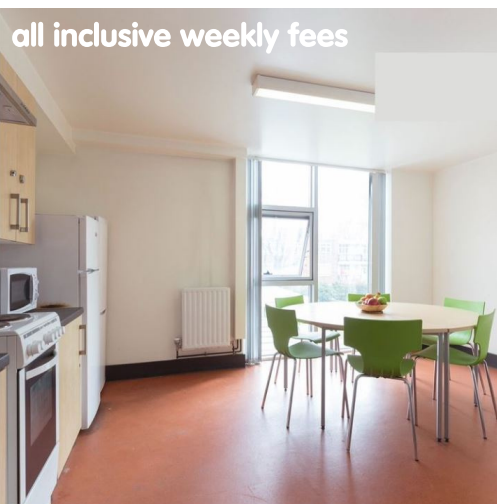
Halpin House

Residents' Well-being



24 hour staff & security

Friendship House

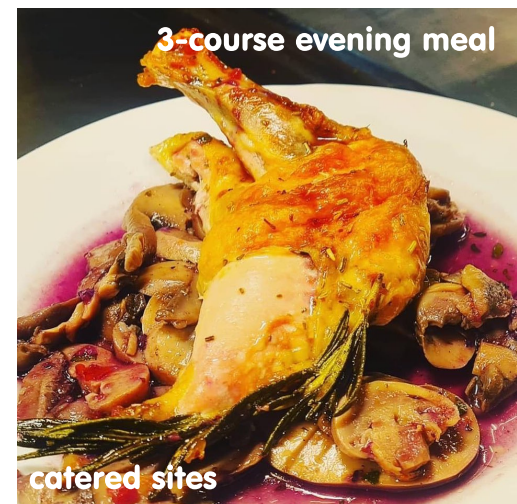


all inclusive weekly fees



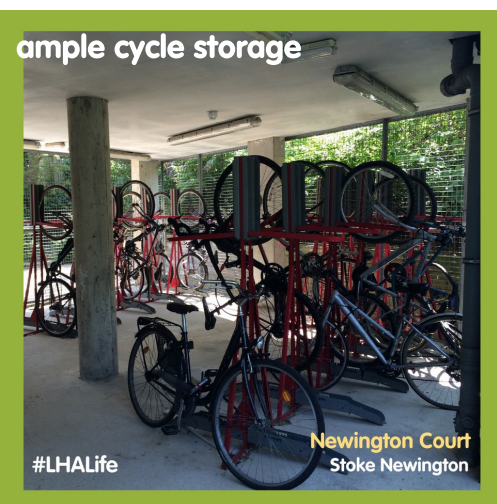
our accommodation

dorm to studio options



3-course evening meal

catered sites



ample cycle storage

#LHALife

Newington Court
Stoke Newington



gyms in many locations

Services provided on an inclusive charge basis

- Senior hostel staff and volunteers who live on-site are always available to offer help and assistance. Health and Safety is paramount to the organisation.
- In our catered sites, we provide breakfast and three-course evening meal
- High-speed fibre-optic wi-fi connectivity with 100% coverage in all rooms and communal areas
- Bed linen and room cleaning
- Resident contents insurance including laptop cover
- LHA Rewards loyalty scheme to provide an incentive for 18-29 year olds rewarding long stay
- Communal washroom and kitchen cleaning
- Free membership of LHA gyms where available
- All utilities and council tax
- Comprehensive maintenance service
- Communal room with TV facility



GET TO WORK!

affordable co-living

Keeping our Residents Safe Through a Global Pandemic

LHA continued to successfully operate its Covid-19 Safe and Secure protocol throughout the pandemic. Having around 1,000 residents and staff continuing to reside in the buildings throughout the year, we believe the extremely low number of residents testing positive was a reflection of the LHA safe and secure protocol.

As a precaution, to respond to a single positive result, we always introduced self-isolation in affected areas of the buildings.

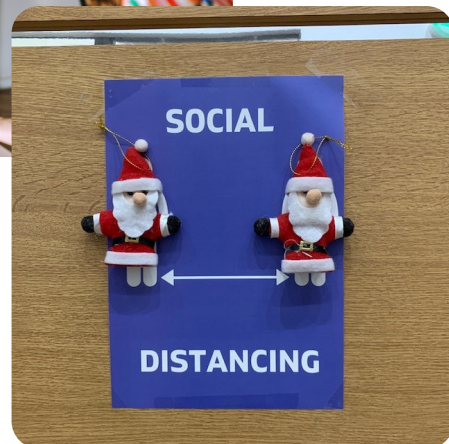
Meal provision was available at those catered sites remaining open. We also supported our vulnerable residents with bespoke packages of support, ranging from shopping to one2one well-being sessions.

LHA carefully considered the financial well-being of its residents by introducing a range of fee deferral and discounts to suit the individual's circumstances. Following government guidelines and LHA's safe and secure system all residents were moved from shared to single rooms without financial penalty.

LHA was also able to expand its social impact by providing emergency accommodation at two of its sites. The initiative provided 92 single rooms for Glass Door, the Central London charity.

Many of our residents were employed in the low-paid hospitality, catering and leisure sector and had been furloughed. We received excellent feedback from residents at all sites for our compassion and organisation.

Our staff and volunteers worked tirelessly to protect our residents throughout these challenging times.



KEEPING OUR TEAMS AND RESIDENTS SAFE



Wash hands



Wear face covering

Cover your mouth when coughing or sneezing



Residents' Voice

"The quarantine experience here was really well managed"

Torquay House Resident

"LHA London is truly an amazing company! It really looks after its residents in terms of health and safety. I was so happy to be offered a studio flat at Torquay House during the Lockdown."

Torquay House Resident

"LHA helped me a lot in the COVID 19 pandemic.

Thank you!"

Belvedere House Resident

Strategic Plan

Statement of Principal Activities

LHA provides affordable accommodation for young working people and students living in Central London. LHA operates 14 London hostels providing nearly 2000 bed spaces. LHA provides accommodation in the boroughs of Westminster, Kensington and Chelsea, Camden, Southwark, Tower Hamlets, Hounslow and Islington. A structure of 70 paid staff and over 170 volunteers provide support services.

Our Vision (What are we seeking to achieve?)

To be a leading provider in the charity sector of secure, low-cost accommodation in London.

Our Mission (What do we need to do to deliver the vision?)

In order to achieve our vision, we will expand our offering by acquiring, developing, maintaining and managing secure, low-cost hostel accommodation. The accommodation will provide a diverse choice of living arrangements that meet the reasonable expectations of young people with limited means that wish to work or study in London.

Strategic Plan

LHA's strategic objectives and vision are by 2027 to own and manage secure, diverse, good quality and affordable accommodation of more than 1000 additional beds, to reach our target of 3000 beds. The Trustees held their annual Trustee Strategy Day in November 2020 to consider implementing an appropriate 5-year plan. The outputs of the Away Day included: commissioning a review of the existing property portfolio, introduce a mechanism for the measurement and improvement of social impact, a review of the housing needs for London and a comprehensive review of the needs of young people of limited means.

We offer accommodation services which provide a stepping stone to enable young people to advance their careers and education, whilst meeting the reasonable needs and enhancing the well-being of residents. In addition, LHA will develop a concept providing even more affordable accommodation for less well-off beneficiaries, possibly outside zone 1 and 2 but within the M25.

The minimum standards will be defined by research carried out by the Social Policy Committee - a committee of the main Board - and the search for suitable properties will be coordinated by the Property Oversight and Projects Committee to ensure that the appropriate technical considerations are taken into account.



Our performance is based on:

- Provision of quality, affordable accommodation for over 1700 residents and volunteers
- Keeping our accommodation well-maintained
- Providing high standards of services and facilities
- Achieving consistently high levels of customer satisfaction
- Being in sound financial health with a history of strong financial management and planning
- Having an impressive set of performance indicators
- Commitment to placing diversity at the heart of our organisation

Aims and Objectives for 2020/21

During the coming year we will progress two major initiatives to increase our bed numbers.



The purchase of a 40 room hotel in West London with a view to demolish and build a new, nine-storey 107-bed single, en-suite hostel. Planning has progressed throughout the year with a target date for planning determination in early 2021.



We have been keen to explore the maximization of space within current sites. To that end, we have worked on a scheme to build on available roof space using light-weight construction methods. We are currently in early stages of negotiations to provide additional space at our Southwark site.



We will continue to complete our major internal refurbishment at Halpin House during the early part of 2021.

MIRIAM & SOI



#LHAFAMILY

Resident's Voice

Excellent Place For Mid-Long Term Living

"I stayed at Railton for almost 8 months. Excellent location, very clean bathrooms, toilets and kitchens, a couple of minutes walking distance to shops, Hyde park and underground. Volunteers and the management team are very hospitable and nice. Thank you Alcina, Laura and Isabel for helping me move to the Railton that I am really happy about it, thank you all for everything.

I recommend this place not only for students, young people but also for professionals. Thanks."

Ugar - Railton House

Aims and Objectives for 2020/21



We continue to work through the year on a major upgrade to our front of house, CRM and booking system. Full testing will be completed in early 2021.



In 2021 we aim to work with Glass Door homeless charity to provide over 90 beds for the homeless in London. The catered site will provide meals and single room accommodation with dedicated Glass Door support staff on site 24/7

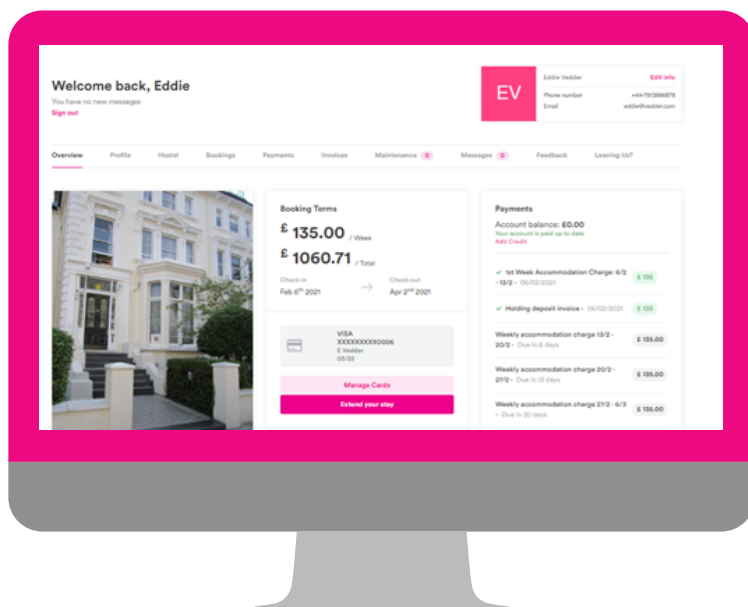


We have introduced and maintained our LHA Coronavirus Safe and Secure protocol to protect residents and staff. We have continued to monitor Government guidelines and ensure compliance with the ever-changing requirements. We will continue to ensure this is in place as we move through 2021



We will have completed a full external repair and redecoration at our Victoria SW1 hostel, Holland House

Aims and Objectives for 2021



New Booking System

We have continued development of our new booking system throughout 2020. Developers Coherent have now completed the majority of the work and we are in the final stages of testing ahead of integrating into the website. The as-yet unnamed system will revolutionise the user experience for both our residents and our hostel teams. Key improvements include:

- Residents will be able to search locations and real-time availability with refined search options available.
- Residents will be able to book and pay online or join a waiting list if availability is limited.
- Availability will be updated in real-time across all booking channels.
- Residents will be asked to complete an online induction process ahead of their stay, ensuring not only are they properly equipped with all the information they need to move in, but also allowing us to communicate and track key health and safety due diligence information.
- We will move to recurring card payments for the payment of accommodation charges, hugely reducing the time spent processing payments and reducing our late payers' liability.
- Residents will have access to their customer portal for the duration of their stay, giving them a full overview of their booking and payment history, the ability to amend their booking and report maintenance issues.

Much of the communication will be automated with the system able to send automated, booking confirmations, arrival surveys and various other reminders, giving our site teams more time to focus on customer-service excellence. The booking system will also provide significant improvements to the organisation's business intelligence, allowing us to quickly analyse trends and respond accordingly. We expect to be in a position to launch the new system in spring/summer 2021.



Volunteer's Voice

What brought you to London?

To have a new experience, improve my English and meet new people.

What do you like best about being a volunteer?

It gives you the opportunity to live in the centre of London.

What has it taught you / experience gained?

It certainly helps you to communicate in a language that is not your own.

Advice you'd give to any young person thinking of coming to London to work or study and volunteer at LHA?

Take it easy. Maybe at first it takes a bit of time to adapt but you'll soon realise the great opportunities that London living can offer.

Ezequiel, 23

Property Oversight and Projects Committee Statement

2019/20



Sue Johnson
Chair of Property Oversight
and Projects Committee

The Property Oversight and Projects Committee is responsible for supporting the acquisition and development of new property for the charity, along with the refurbishment, upgrading and maintenance of LHA's substantial existing property portfolio.

We have made several important moves during 2020 to support our charitable ambition to acquire new sites and to increase the number, affordability and range of facilities on offer to our residents. In the final months of 2019, LHA purchased a new site in Hounslow. During 2020 a design has been developed and submitted for planning permission.

We plan to construct an exciting contemporary building with 107 highly affordable modern en-suite rooms and wide-ranging communal facilities; we hope to receive planning consent early in 2021. We are also pursuing the provision of "air space" development to construct additional accommodation at roof level on existing non-listed properties. In both these cases, positive engagement with the local planning authorities have yielded productive dialogue.

We commenced a comprehensive and wide-ranging review of our sustainability ambitions, principles and strategy during the last year. With the help of external consultants, 4 key areas of ambition have been identified:

- Enhancing the performance of our properties
- Empowering our people teams and neighbourhoods
- Maximizing potential by building resilience
- Increasing impact through collaboration.

Two-year and five-year plans are under development to achieve real tangible targets in each area.

Refurbishment and modernisation plans for the existing building portfolio have inevitably been constrained by the practical and financial challenges of the Covid crisis in 2020. Nevertheless, we have invested almost £0.75 million on a comprehensive internal upgrade to rooms and bathrooms at Halpin House and deemed it prudent to progress planned major external repairs and redecorations at Holland House. These projects ensure that our property assets continue to be well maintained and to offer good quality, up-to-date accommodation.



HOUNSLOW

Finance, Audit & Risk Committee Statement

2019/20



Alexandra Whiston-Dew
Chair of Finance, Audit & Risk
Committee

The Finance, Audit and Risk Committee ("FAR Com") was established in February 2020. The LHA Board of Trustees ("Board") decided that the inclusion of Finance as a subject for a subcommittee along with Audit and Risk would support the Board's effective oversight and governance of these matters creating a forum for in-depth examination of these matters.

The FAR Com Terms of Reference have been established and set out clear parameters, responsibilities and reporting lines for the FAR Com. This year, the FAR Com have had to tackle exceptional challenges with respect to both Covid-19 and Brexit and have been pleased to report that the Executive team, staff and volunteers have maintained good governance despite the health and safety, cash-flow and operational challenges inherent in dealing with these unique circumstances.

Finance:

The accounts are reviewed in detail at the FAR Com in meetings that are scheduled to coincide with pertinent points in the financial year. Any questions or concerns are answered by the organisation's FD in the meetings. The FAR Com and the Board remain confident in the FD's management of the organisation's accounts and cash-flow, despite the challenges of this year. A carefully considered change in investment policy has led to the investment of cash assets, which has required an examination of long-term investment strategies and appropriate ethical investment policies. The FAR Com is confident that these new arrangements are in the best interests of the organisation and the residents.

The organisation's pension scheme continues to be run with careful oversight by the Executive, the Board and Pension Trustees and actuaries. Special thanks is given to Peter Frackiewicz, member of the FAR Com and Board, for lending his experience and expertise to a deeper oversight of the pension scheme.

A focus of the FAR Com which will carry through to next year will be the establishment of a longer term strategic plan with respect to the financing of the organisation's projects.



Volunteer's Voice

What brought you to London?

I have always loved this city and decided to come here to have a new experience in my life, explore a new culture and improve my English – which is almost the universal language!

What do you like best about being a volunteer?

Being part of a community. Eventually, you develop a sense of belonging.

What has it taught you / experience gained?

I've learnt new skills and gained new experiences such as how to become independent in another country and in a professional environment.

Iberia, 27

Finance, Audit & Risk Committee Statement continued

2019/20

Audit:

The organisation continues to refine its audit policies and procedures ensuring that the appropriate third-party professional advisers are engaged. I would like to thank both the staff, Executive and the Board for their continued commitment to ensuring proper governance and oversight.

Risk:

The FAR Com adopted the comprehensive risk analysis tools deployed by the previous Risk Committee. Changes have been made to the identification and measurement of risk with a stronger emphasis on risks and mitigation strategies identified by the Executive (who have a deeper knowledge of the organisation). Trustees remain forensic in their assessment of risk and oversight of the measures put in place to mitigate against risk.

Health and Safety:

Health and Safety has always been a foremost concern for the Board, but in this global pandemic, the focus has taken on a new resonance. The CEO has devised, implemented and communicated measures in connection with Covid-19 to great effect ensuring that staff, volunteers and residents remain as safe as possible. Communication with the Board has been exemplary often with the CEO reporting developments in real time so that the appropriate level of attention and urgency is apportioned to the safety and health of staff, beneficiaries and volunteers.

I would like to thank CEO and FD for their excellent work throughout the period and my fellow Trustees for their time, commitment and guidance in such difficult circumstances.



Volunteer's Voice

What brought you to London?

I came to London because I consider it to be the 'city of opportunities' – you can become whatever you want.

What do you like best about being a volunteer?

I have the opportunity to grow personally and become independent. This is very important for a young person who wants to experience a 'new world'.

Advice you'd give to any young person thinking of coming to London to work or study and volunteer at LHA?

Every young person should volunteer at LHA London at least once in their lifetime. If you want to study, learn a new language or save some money – LHA London is the answer.

Giuseppe, 23

People Committee Statement

2019/20



Ali Mohammed
Chair of People Committee

The People Committee determines, on behalf of the Board, the Charity's policy on the remuneration of all employees and senior executives. It sets the annual level of remuneration of all employees.

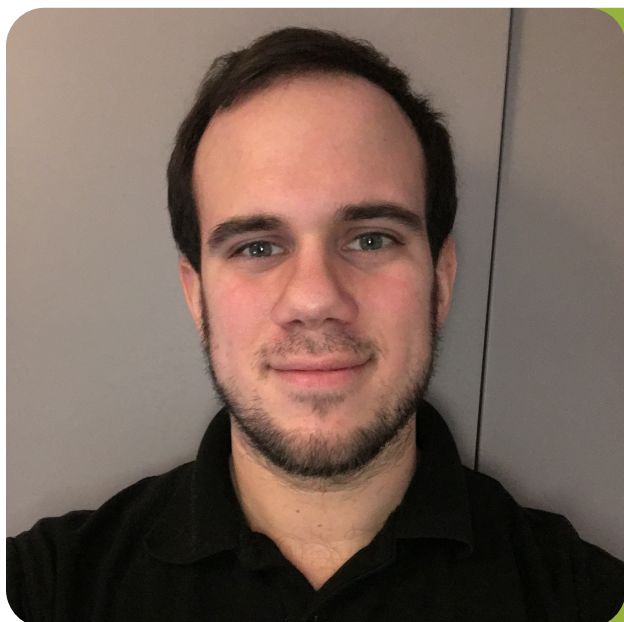
The People Committee is also consulted on the remuneration policy for hostel and head office staff.

To ensure that LHA's remuneration practices are market competitive, the People Committee annually calls on the Senior Executive Team for market assessments. The People Committee receives regular updates on the volunteer scheme and evaluates the impact of the post-Brexit implications.

The arrival of the qualified HR manager in November 2019 has enhanced the Charity's onboarding process with comprehensive one-to-one and online induction training. A new HR software system has also provided more detailed reporting.

A regular employee/volunteer drop-in session has been introduced to provide all employees with a one-one with the HR department on a regular basis. Direct access to the CEO is available 24/7 by using the asktony@ email address. Our employee engagement survey shows 92% of our employees would 'go the extra mile for LHA'.

The pandemic has presented significant demands on the teams. LHA's safe and secure protocol is in place and an Covid-19 update and impact report is received by both the People Committee and Board on a regular basis. On 13th March 2020, the central administrative function was switched to remote working and has followed Government guidelines throughout the pandemic. Our employees' mental health is taken seriously and constant feedback and contact is maintained between remote staff and line manager.



Volunteer's Voice

What brought you to London?

Sometimes you know when it's time to move on. When my company decided not to renew my contract (because of Covid-19), I realised that it was the right time to leave my country.

What do you like best about being a volunteer?

Being a volunteer gives me the opportunity to do something good for me and for others at the same time. One day I hope to work for LHA London full time.

Advice you'd give to any young person thinking of coming to London to work or study and volunteer at LHA?

Yes, pack your suitcases! We are waiting for you!

Matteo, 28

Social Policy Committee Statement

2019/20



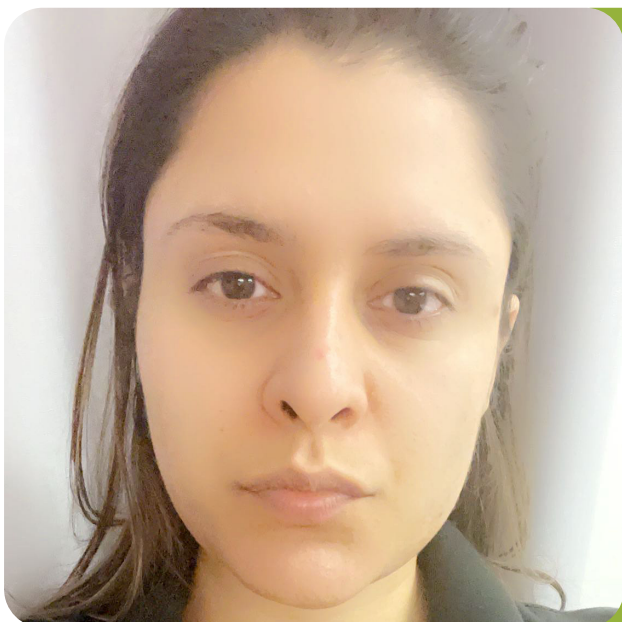
Alec McTavish
Chair of Social Policy
Committee

The primary aim of the Social Policy Committee is to understand the housing needs of young people with limited means who wish to live in London, and to determine the best way to meet these housing needs through the provision of affordable and appropriate accommodation.

The past year has been particularly challenging as a consequence of the effect of Covid19. A number of our residents who are citizens of other countries returned to their homelands. We have, however, continued to serve the residential needs of young people throughout the year. To meet Government requirements on social distancing, we have ceased to offer shared rooms and instead accommodated each of our residents in a room of their own. This has reduced the total number of residents we are able to accommodate.

The Social Policy Committee has continued to support other housing charities in London through a grants programme. In 2019/20 we awarded £187,487 in grants to 11 housing charities. In addition to this and recognition of the significant impact of Covid19, we awarded additional financial support to these housing charities totalling £116,000.

Members of the Social Policy Committee are immensely grateful for the creative, flexible and timely way all of our staff have responded to the challenges presented by Covid and the effects of Brexit. They have enabled LHA to continue to meet the housing needs of young people in London.



Volunteer's Voice

What brought you to London?

I came to London to complete my masters degree at Glasgow Caledonian University. Upon completion of my degree, I decided to stay and settle in London.

What do you like best about being a volunteer?

I support the team at Davies Court with housekeeping duties, so majority of the tasks involve making sure guests feel welcome and facilities are maintained to a high standard.

What do you like best about being a volunteer?

I love the location. I love meeting residents and other volunteers too. I am very grateful for the flexibility that it provides, I am able to offer my 20 hours to support LHA but at the same time maintain a part-time job which unfortunately has been impacted due to COVID.

Sonia

LHA Fund and Communities

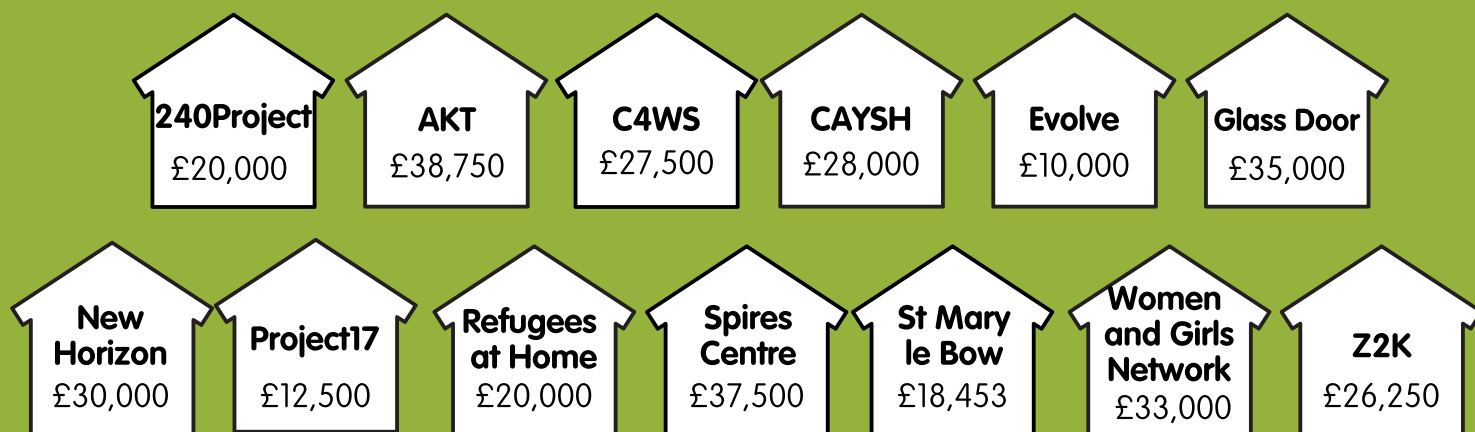
LA does not make use of direct fund-raisers and does not undertake fundraising activities. There is therefore no requirement to register with the Fundraising Regulator but the charity is aware of the regulations and will register if this becomes necessary in the future.

We are committed to supporting London charities with similar objectives. During the year we made grants totaling £336,953.

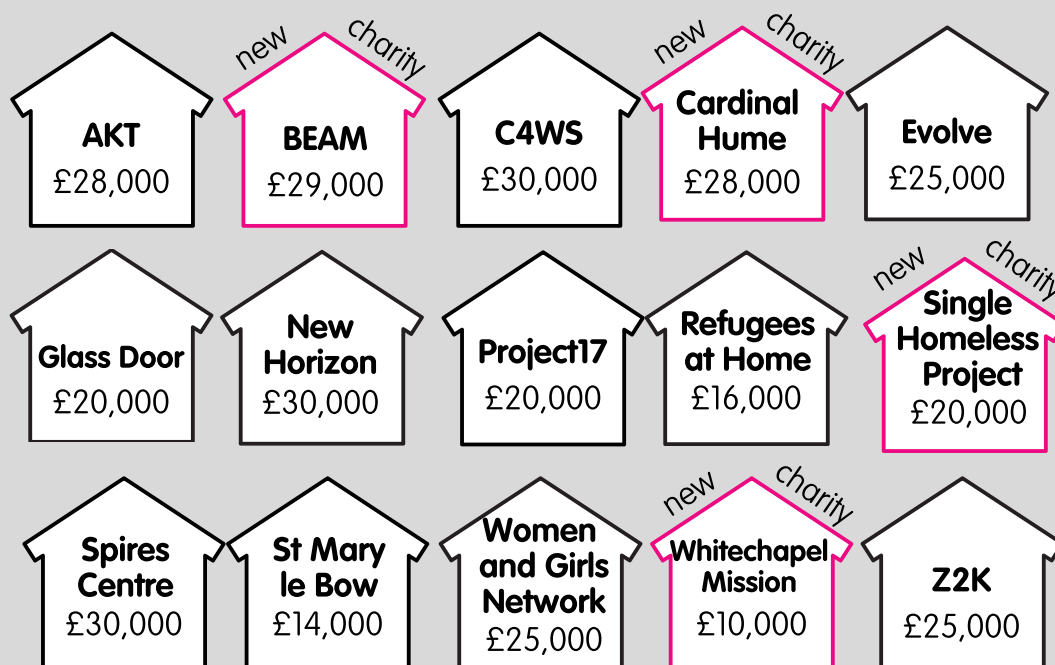
LHA also granted £116,000 in emergency funds due to Covid-19 impact on the charities we support.

Since its implementation, the LHA fund has gone from strength to strength and has increased in size over the years. Successful recipients of the Fund are listed below together with intended recipients for the 2020/21 funding round.

Current 2019-20 funding



Proposed 2020-21 funding



LHA Fund - a Selection of Case Studies 2019-20



HOMELESS PROJECT

Krys & Caitlin have taken part in the C4WS Mentoring and Befriending Scheme and here Caitlin shares some of her thoughts on their meet-ups. Krys was a guest of the C4WS Winter Night Shelter in 2018/19 and since leaving has secured a role at Ted Baker, one of our corporate supporters and is a values member of our Steering Group, who meet 6 times year to inform our work and help bring new ideas to the table so that we can continue to support the most vulnerable in our society.

"Krys and I both grew up in North London and quickly realised we shared not only geography, but a mutual interest in films, good food and exploring London's sights.

Before Sam paired us up, Krys had just secured his first job in Ted Baker's IT department through C4WS's Jobs Club and was excited to start. It quickly became clear that Krys was an incredibly bright and hard-working individual. Once Krys suggested we go visit the British Library where he talked me through the Leonardo da Vinci exhibition. He has also explained the entire inner workings of a computer and taken me through his impressive photography projects.

He even came to one of our meetings equipped with work phone and laptop, on call for Ted Baker. Krys's placement was going so well at Ted, he was offered a permanent position, plus funding to study IT at college.

We rented bikes to cycle through Regent's Park, and enjoyed deciding on the best burger in town from Dalston to London Bridge.

We spoke about settling into the new world of work, budgeting and navigating his new shared accommodation and life with housemates. He came to every meeting with a smile and was always up-beat with a funny story to tell and we had some great times getting to know each other. Krys and I extended our original placement by a further 6 months. We have also stayed in contact during lockdown and look forward to our chats and seeing where his wealth of knowledge, determination and resilience take him."

Jasmin* moved to the UK in 2007 to pursue an internship and then got a job in London as a fashion designer. She was sexually assaulted at work early last year and then lost her job.

"I felt violated and forced out of the company. It hit me hard. It also affected my mental health. Suddenly without an income, I quickly used up all my savings and then applied for universal credit. I could no longer afford my flat, so the council helped me find another property. At first I was so grateful. But when I arrived, I saw that the flat was unfinished. There was no electricity and maintenance people were coming in and out at all times of the day and night. The ceiling fell through in the bathroom and I discovered that the landlord had never had the right planning permission in the first place."

Jasmin's frustrations when she tried to complain about the property only grew: "I was told that it was easier to get rid of me than a landlord with a lot of properties. I felt powerless." she says.

"I had £1.50, the last bit of money on my Oyster card. I spent it to visit the partner drop-in at Chelsea Methodist Church to speak to a Glass Door caseworker."

Jasmin met with caseworker Michelle last summer. Michelle ensured she applied for and subsequently received "EU settled status" so that she would retain her right to support after the UK leaves the EU. Michelle also connected her to LawStop to prevent her from being unlawfully evicted.

"I was so relieved after that. But because he couldn't evict me, my landlord instead threatened to increase the rent to a level I could not afford. Thanks to Michelle's connection to the Public Interest Law Centre, this was also ruled unlawful and I am still in the flat now. Michelle has a gift. She is so patient and calm and gave me the reassurance and emotional support I needed during such a difficult time. She gave me courage."

Jasmin has spent lockdown volunteering at her local community centre and using her design skills to make masks for a hospital.

"I feel like my creativity is gradually coming back. I've been working on some design projects as well. But unfortunately my housing situation is still far from ideal. My new housemate has problems of her own and the police have been round to the flat eight times due to her substance misuse. If your home isn't safe, it impacts everything. I know things will get better when I find a safe place to live. I never thought all these things would happen to me. I used to enjoy running in Holland Park and oversaw a whole design team in a job I loved. Not only would I be homeless without Glass Door, but I would have lost my mind. Mental health can really pull you down. And when you're down, it is so hard to get back up again."



Abeo* is a 32 year old man who came to the UK as a refugee. He approached Z2K for advice on Universal Credit, but their Client Support Caseworker identified that he had a number of other needs – he had been a victim of torture and has health problems – so Z2K helped him apply for Personal Independence Payment.

His caseworker also helped him have a Council Tax Support application backdated as he had received a summons for non-payment despite being entitled to full Council Tax Support on account of his low income. Abeo made a homeless application and was placed in temporary accommodation, but he had very few belongings so Z2K's Support Caseworker applied for a hardship fund to provide him with basics like a kettle, a microwave, and some bedding. He found this particularly helpful, saying: "Providing me with the microwave was actually quite key. I do remember them every time I use the microwave. These are little things that you know sometimes can be taken for granted but they do go a long way."

The process of making a homeless application is confusing and difficult, so throughout he has had support from Z2K's Tenants Voice Officer, explaining each stage along the way – in the end the council accepted a duty to house him, and he is now waiting for a place to become available. Getting information was something he really appreciated: "sometimes it seems like murky waters because you don't really know what's available, and they've just been able to provide you with the means of getting the right information."

Abeo wanted to support Z2K's campaigning work, and so he got involved in the client voice project #LifeAfterLockdown, recording audio clips of himself and his experiences. He found the project "inspiring" and will continue to be involved in future.

Abeo has hopes to start his own business and has now been accepted onto the New Enterprise Allowance Scheme with the DWP. This scheme provides start-up costs to help Abeo establish his business before he can begin trading. Abeo was also really pleased to receive a new laptop funded by LHA London Ltd, he could not afford to buy a laptop himself but this will be integral to him to establish his business. Having received the laptop, Abeo said: "This is so amazing, I am extremely grateful. I have had a terrible year, you don't know how much this means to me."

Although Lashana* fell on difficult times, she was determined to overcome the challenges set before her.

Whilst living at Evolve's Crystal Palace hostel known as "The Fitze," Lashana took on part-time work at Legacy Youth Zone to further develop her skills. Legacy Youth Zone provides a safe place for young people in Croydon to advance their interests in areas such as sports, music recording, and video and art creation.

Her support worker was able to refer her to Croydon Council's 'Fast Track' programme as a result of Lashana's employment. Before long, she was allocated a one-bed housing association property.

However, also as a result of her job, Lashana now received reduced housing benefit payments and a lower Universal Credit allowance. Even with her commitment to strict budgeting, it would be impossible for her to pay both a deposit and first month's rent in advance, solely based on the money that she was earning. And so she would ultimately lose her housing placement.

The LHA Move-On Bursary helped her break past that barrier to seize the opportunity for permanent housing. With her deposit and first month's rent paid, the immense pressure she was under to find a home gave way to a path of continued personal and professional development. In other words: a life of independence.

This also meant that any savings Lashana accrued, she could spend on furniture for her flat, as this was another hurdle to surmount. Her new home was an unfurnished property. Something as basic but vital as a bed and fridge, she would have to buy herself.

Following Lashana's successful move into her new home, she was able to continue to pursue her dreams. She began volunteering as an ambassador for the Croydon Mayor, which is a new source of inspiration for her future. Her dream is to secure a role in Parliament in order to help others achieve their own potential.

*Names have been changed to protect identities



Tia* 25, initially made contact with W&GN in via their new online chat facility, which they were able to develop and launch thanks to the grant from LHA London. Tia needed support to access safe accommodation, she had no credit on her phone to call anyone but was able to connect to free WiFi and so was able to reach out for support via the chat. Tia then shared with the Caseworker who was (wo)manning the chat that she has fled three days ago from the home where she was living with her partner, following an incident where he physically assaulted her. Tia had been with her partner since she was 16 years old and he had been physically and emotionally abusive towards her throughout their relationship.

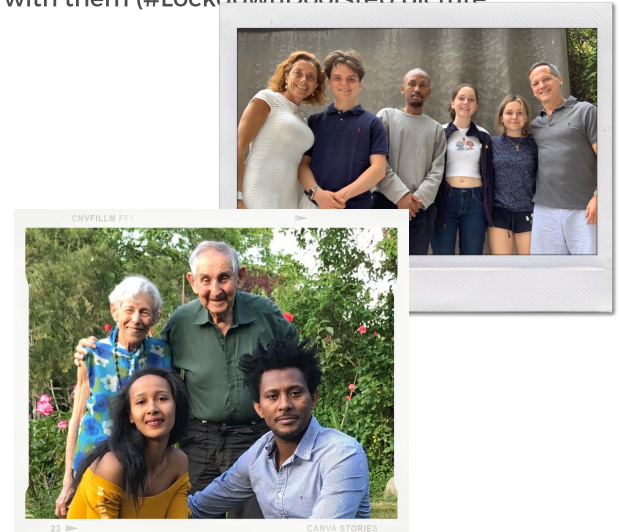
Tia had approached Lambeth Local Authority housing department (where she lived) for support, they told her she was not eligible for support as she is a single woman with no priority needs. Tia had stayed at a friend's house the first night and slept on the streets the past two nights. The caseworker carried a refuge search out, however unfortunately there were no suitable refuge spaces available that night.

With Tia's consent, WGN's caseworker then contacted Lambeth housing department and advocated on Tia's behalf requesting that Lambeth housing act on their duty to provide Tia with emergency safe accommodation as she was fleeing violence. WGN's caseworker was able to ensure Lambeth housing provide Tia with emergency accommodation for the following few nights until a refuge space could be secured.

Thanks to the LHA emergency fund dedicated to supporting young women and girls who are fleeing their homes, WGN was able to cover Tia's cost of travel to the emergency accommodation as well as top up of minutes for her phone, so she was able to communicate with the out-of-hours housing officer. WGN's worker then supported Tia to reconnect with a local support service that she was receiving support from in the past, and have supported this service to support Tia into a refuge accommodation, where she was then able to access ongoing support in a safe environment and start her journey towards recovery.

H is a refused asylum-seeker from Sierra Leone who has had a particularly rough time. He was referred to Refugees At Home by the Refugee Council. He was then quite poorly and had been street homeless and living in a tent for about eight months. He hates being moved around between hosts and much hosting may involve that. So Refugees at Home had placed him with a host early 2020 and it lasted successfully for a couple of months. Unfortunately Covid-19 struck. His hosts had to shield so he needed to move.

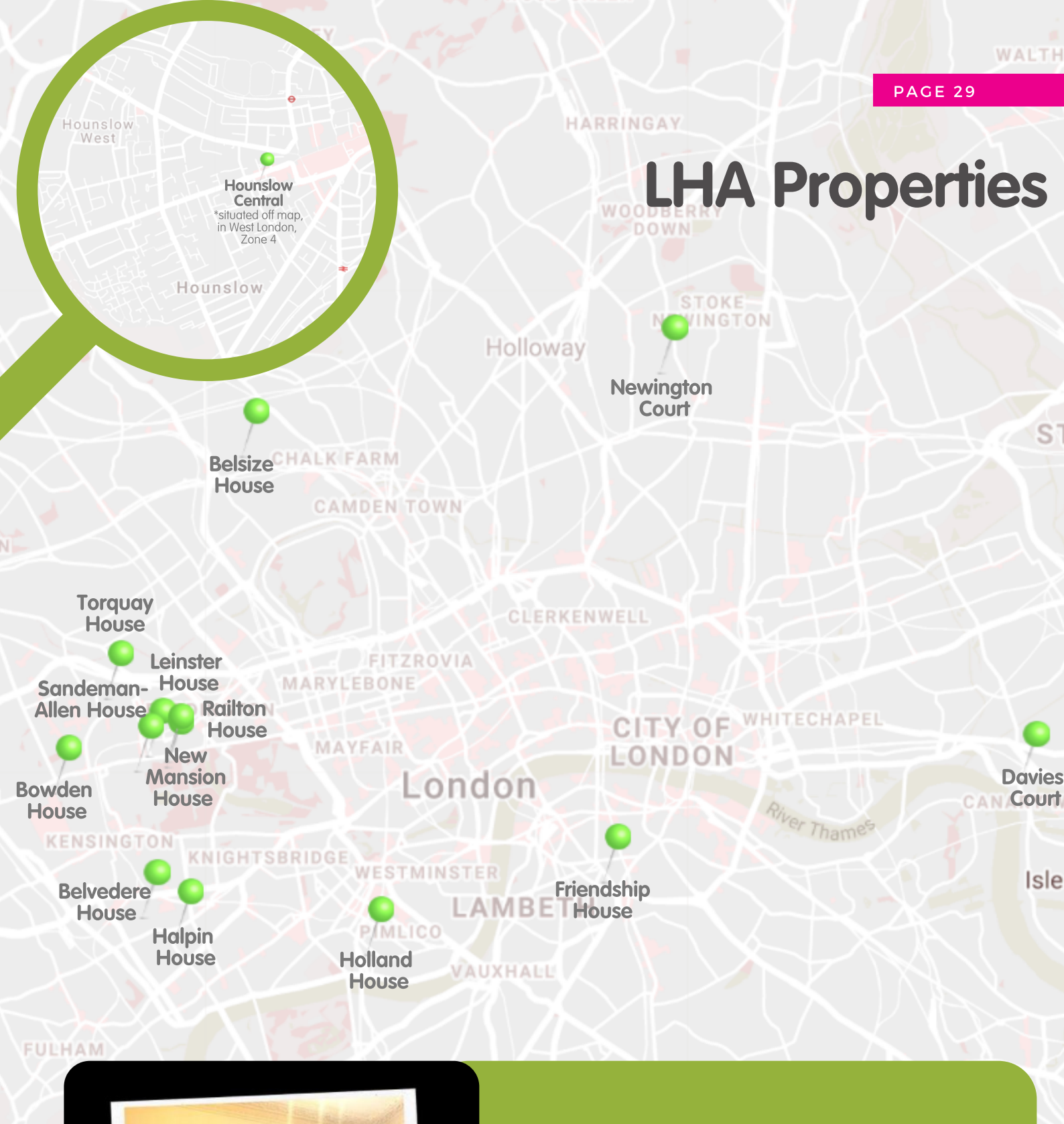
H was found another placement but he didn't show up. He didn't like moving so thought he had decided not to go. Though it turned out that he had been seriously assaulted on his way to the new host – and so badly as to end up in hospital for some time, by then the UK was in lockdown. The Refugee Council got him into one of the emergency hostel placements. He hated it and it was bad for his mental and physical health. Amazingly – in peak lockdown – the hosts who had previously agreed to host him, said yes again. He arrived mid-May without incident and self-isolated for two weeks there. Now the host family is trying to find him educational opportunities while he stays with them (#LockdownDoorstep picture



Tade is an Ethiopian refugee and one of Refugee at Homes star guests. Tade appeared on "A House through Time" recently. He was hosted in Bristol by the current owners in 2018 and through him the house, built by slave-owners and transporters, which had once had an African slave living in it, was eventually redeemed. Now he and his wife, who arrived earlier this year on a family reunification visa, live with Shula and Isaac Marks in South London. Tade goes to university, his wife studies English and their presence in their hosts' large home has helped the Marks – an elderly couple also descended from refugees – get through lockdown pretty comfortably. The story of the placement was told recently in a HuffPost blog. (#LockdownDoorstep Picture)

*Names have been changed to protect identities

LHA Properties



abdi & sam
#lhafamily

LHA Family

Sharing a room not only helps save the pennies but it also creates great friendships such as that of Abdi and Sam. They moved into the same room at one of the hostels many months ago and have enjoyed experiencing London together. They enjoy cycling in Hyde Park, going to the gym and are planning a holiday together.

Our Equality, Diversity and Inclusion Statement

At LHA London we are committed to supporting and promoting Equality, Diversity and Inclusion. This has long been our approach and we aim to ensure it continues to be embraced by our staff and Management team and informs and shapes our business activities and the impact on our residents, employees and other stakeholders.

We aim to:

- Prevent discrimination of all sorts including indirect discrimination and unconscious bias, eliminate prejudice, promote inclusion and embrace and celebrate diversity within our organisation and within our wider community through awareness, review and continual learning.
- Treat people equally and fairly in our dealings, respecting and embracing diversity.
- Recruit and promote people fairly, while proactively ensuring equal access to job opportunities as well as professional and personal development for existing staff.
- Actively listen and learn about the needs of our residents to ensure that our services are suitable and accessible.



In 2021, we will develop our Equality, Diversity and Inclusion Strategy to:

- Ensure that our Board, senior staff team employees and volunteers understand their responsibilities in relation to Equality, Diversity and Inclusion and are accountable for embedding our approach throughout our business activities.
- Promote equality through all of our activities.
- Proactively comply with all legal and regulatory requirements which apply to the protected characteristics of race, religion or belief, sex, gender reassignment, marriage and civil partnership, pregnancy and maternity, sexual orientation, disability and age.
- Ensure our LHA Fund recipients, consultants and contractors echo our approach and can demonstrate their commitment to delivering and embracing our Equality, Diversity and Inclusion principles.
- Proactively encourage our residents and other stake holders to participate in reviewing our services and in so doing helping us to shape the Charity to meet the various needs of our residents.
- Continue to engender and promote inclusion and community cohesion in our local area through our proactive activities, such as those undertaken by the LHA Fund and our wider partnership working.

Volunteers

Volunteers are a big part of the success of LHA London and we greatly value the contributions they make.

Becoming a volunteer at LHA opens the doors to gain experience and develop new skills whilst giving back to help the charitable aims of LHA.

All volunteers can help make a positive impact on the experience of the young people staying with us, from giving the best possible service upon check-in, to dealing with customer enquiries, to helping the chefs serve delicious meals.

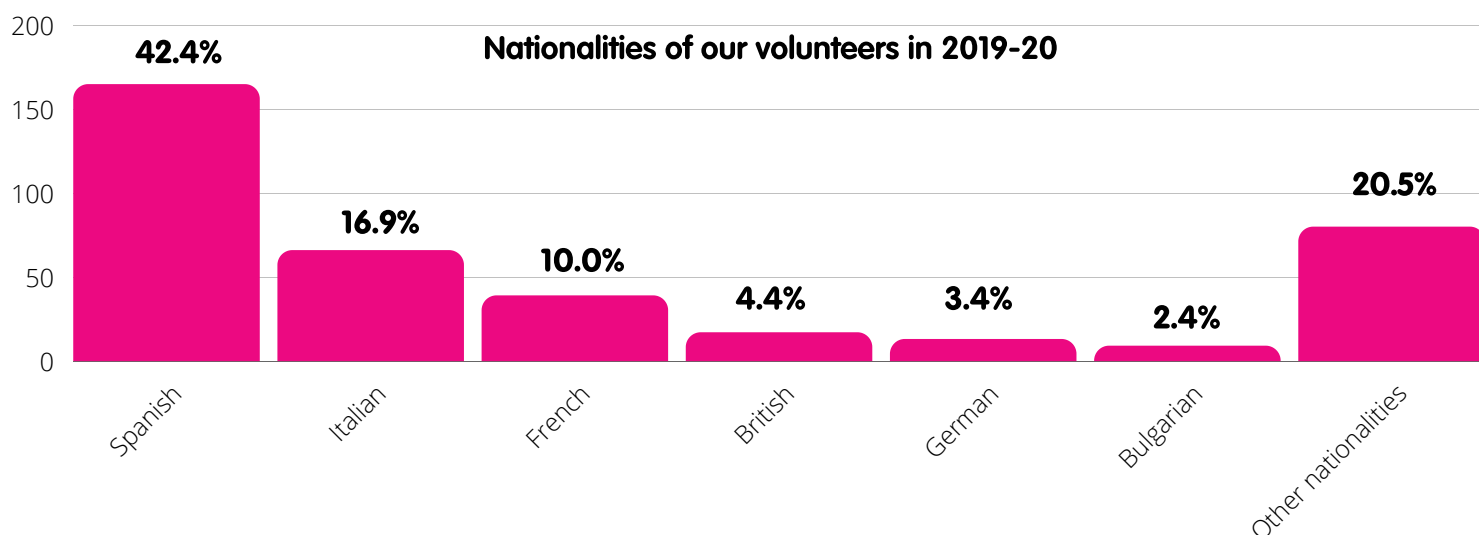
Volunteers at LHA can not only improve their English and gain valuable training, they'll also make some amazing friends along the way. Plus, the experience will look great on their CV. It's a win-win for anyone starting their new London adventure.

We recommend our volunteers give us a minimum of 20 hours a week to make the most of their volunteering experience and they can then stay with us for free in shared accommodation with other friendly volunteers.

Volunteering can be done at any one of our accommodations where volunteers get the opportunity to make friends and contacts within the LHA community. They experience all the same flexible living benefits that our residents do and they also get their food included.

The types of duties which form part of a volunteer's role will vary by property and can change from day to day but will usually involve the following:

- Volunteers in catered properties help set up, serve, clear away at meal times – breakfast, evening meals and lunch at weekends. Keep the kitchen, dining room and other catering areas clean. This includes washing up, cleaning of appliances and operating the dishwasher.
- Help the Cook in basic food preparation, put away deliveries and keep the kitchen and cooking utensils clean and tidy.
- Everyday general cleaning and portering duties covering all areas to include the cleaning of showers, toilets, bedrooms, public & communal areas, immediate external areas, kitchens and dining room.
- Occasional special cleaning, e.g. carpet cleaning, deep cleaning areas, oven cleaning, washing down walls, laundry, cleaning vents and inside of windows.
- Changing bed linen, counting and preparing laundry for collection.
- Office duties including check in/out, dealing with enquiries, taking bookings, responding to complaints, logging/reporting problems and maintenance issues.
- Night porter duties: offering basic office cover and contact for residents after office hours. Some cleaning duties may also be required.



Volunteers



Laura, 30 from France

What brought you to London?

When I first came to the UK, my aim was to stay for a short period of time. It has now been 10 years. I am living in this amazing, cosmopolitan city and I feel very lucky.

Why did you volunteer at LHA?

I was so determined to improve my English and make some new friends, LHA London's volunteer scheme helped me to achieve this whilst saving a lot of money.

Describe a typical 'day in the life of a volunteer' at LHA?

I was working part time as a nanny (and offering homework help) whilst volunteering at LHA London (this enabled me to have a job during my spare time). In fact, I was only volunteering for 20 hours per week and they provided me with free laundry, meals and shared accommodation.

It's very helpful when you want to live in an expensive city like London. I could also use their gym (again free of charge).

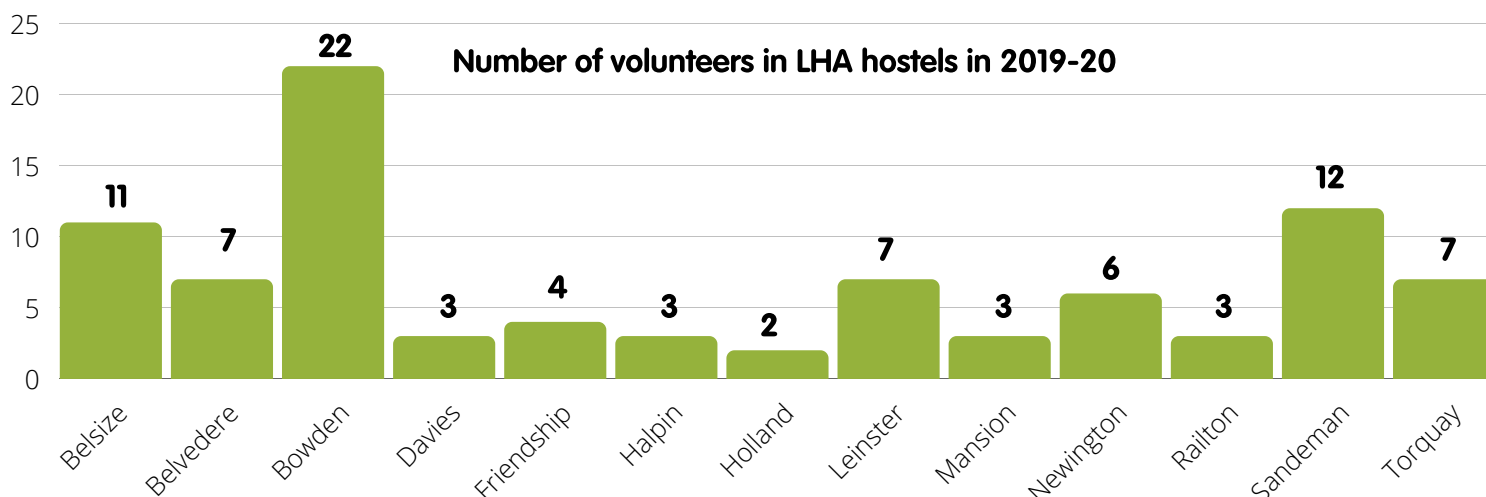
Sharing a room was not always easy but it's a great opportunity to meet new people from all over the world and also learn about new culture. I also love travelling and it gave me the opportunity to experience and share in the cultures of others. With the other volunteers, we spent time together and created a little community on our own such as making dinner together, trying everyone else's food from our country of origin and learning each other's language which was fun.

We also explored the city and went to museums and theatres. We loved going to Camden Town, Shoreditch and markets such as Portobello Road Market, Camden Market, Borough Market and Brick Lane Market.

I learned a lot from volunteering at LHA which gave me the opportunity to climb the ladder during those years which I'm very grateful for. I'm now an Assistant Manager at one of LHA's hostels. I started as a volunteer cleaner for a couple of months and then as a volunteer receptionist. After that, as a paid staff member, as a supervisor and now as an Assistant Manager.

I really believe that volunteering can be for anyone. It is very rewarding. It's also a great way to meet new people, gain new or use existing skills and see the city whilst gaining valuable experience. So, if you are studying, want to improve your English, make some friends and discover the city without ruining your pocket, LHA London volunteer scheme is made for you.

Number of volunteers in LHA hostels in 2019-20



Trustees' Review and Strategic Report

The Trustees, who are also Directors of the Charity for the purpose of the Companies Act, submit their Annual Report with the Balance Sheet for the Company at 30th September 2020 and the Statement of Financial Activities for the year ending on that date, which were approved by the Board of Trustees on 23rd February 2021. The Charity is governed by its Memorandum and Articles of Association. The Charity is managed by Trustees who meet formally five times a year.

Trustees and Members

The Trustees who served during the year are named on pages 7 and 8 of this report. Additional or replacement Trustees are appointed by the remaining Trustees.

Insurance against Trustees and Officers liabilities in relation to the Charity was maintained during the year 2019/2020, as cited in the Memorandum and Articles of Association, Para 60 (1).

Strategic Report

The Charity achieved a surplus net incoming resources before transfers of £4,222,719 (2019; £7,053,223) approximately £2,900,000 under budget due to the impact of the global pandemic.

There was a spend of approximately £560,433 (2019; £517,322) on repairs and maintenance.

Donations of £336,953 (2019; £212,070) were paid during the year.

Investments

Barclays Wealth and HSBC are the managers of the Charity's investment portfolio. They reported that at the year end the Charity held investments at a valuation of £16,239,921 (2019; £1,341,362). During the year cash was moved into the investment portfolios with Barclays and HSBC, which showed as a large increase at the end of the year.

The Investment policy has been updated during the year with the following objectives:

The charity's assets should be invested and held in order to grow the value over time. As the charity does not rely on investment income for operational purposes, a total return approach (capital growth and income generation) can therefore be adopted for the investment portfolio.

The financial objective of the investment portfolio is to maintain the real value of the assets, at least in line with inflation, whilst generating a stable and sustainable return to grow the capital over the long term. The long-term target return set by the charity is at least the Bank of England base rate plus 5%.

Separately, cash deposits held by the charity are deemed shorter-term and are used to maintain liquidity. The split between longer-term capital growth investments and shorter-term cash investments will be reviewed by the Committee on a regular basis and will be adjusted according to the charity's requirements.

Investment decisions should aim to optimise the total return of the portfolio in line with the charity's risk appetite. The charity has defined this as moderate for purposes of their investment approach and has accepted a degree of risk to their capital. The charity is able to tolerate volatility of the capital value of the investment portfolio and has a long-term time horizon of over five years.

To minimise risk to an acceptable level, any assets invested should be held within a diversified portfolio which does not have excessive exposure to any specific sector or country. The committee expects that the volatility experienced by investment portfolios should be no more than two thirds of the volatility of global equities (in Sterling).

Trustees' Review and Strategic Report

It should be noted that there is no specified exposure limit at a sector or country level, however the Committee reserves the right to set this if they feel appropriate. Asset classes may include cash, fixed income/bonds, equities, property funds, hedge funds, commodities, and any other asset that is deemed suitable for the charity. The base currency of the investment portfolio is sterling, however investments may be made in non-sterling assets.

Withdrawals can be made from the investments as and when required by LHA to fund their charitable purposes and objectives, such as buying or refurbishing property. LHA also allows for the invested assets to be held as collateral against a lending facility.

Fixed Assets

There has been a continuation of refurbishment works at Bowden Court from the year before with completion of the boiler replacement works and refurbished rooms on the 2nd and 4th floor at a cost of £182,858. Work on the retaining wall at Bowden Court was carried out at a cost of £186,459.

The refurbishment of Halpin House has started towards the end of the financial year with £222,653 spent against of a total budget of nearly £800,000. This contract will be completed in 2021/22.

A number of works were completed at Sandeman-Allen having been started in the previous financial year. £109,581 was spent to complete the refurbishment works, KABA installation and lift works.

The refurbishment works will lead to all sites being upgraded with new room formats and improved washroom facilities.

Payment Policy

It is the policy of the Charity to pay creditors in accordance with contracted terms, normally within 30 days.

Results

The net movement in funds during the year was a surplus of £3,820,250 compared with the previous year's surplus of £40,757,191. This was after allowing for realised and unrealised gains on investments and the actuarial gain on the Charity's pension scheme, which was a gain of £823,531 and a loss of £1,226,000 respectively compared to the 2019 gains of £42,492 and gain of £24,000. In 2019 there was also a triennial evaluation of the LHA properties resulting in a gain of £33,637,476.

Reserves

At the 30th September 2020, Charitable Funds stood at £22,252,740 and Designated Funds at £242,139,441. Within Designated Funds there is a fixed asset reserve of £242,139,441 which represents the net book value of the fixed assets. All other reserves are available to maintain and develop the future work of the Charity and are considered adequate by the Trustees for these purposes.

LHA London Ltd has a defined benefit pension scheme managed by Aviva Insurance and had total assets of £10,016,000 as at 30th September 2020, compared to £10,344,000 in year 2019. The reserves in the profit and loss account of LHA Services Ltd, our subsidiary company, were £170,744 as at 30th September 2020 compared to £433,801 in year 2019.

As a Charity, LHA is obliged by the Charities Commission to set a policy on reserves and this establishes a level which is appropriate for LHA for the year. LHA's reserve policy is set to adequately support the continuation of the Charity's current activity and future capital expenditure. The Charity's aim is to monitor the reserves policy throughout the year through our budgetary process and to review the reserves policy to ensure it meets LHA's changing needs and circumstances.

Trustees' Review and Strategic Report

Our reserves policy is reviewed annually whilst reviewing our sources of income, and balancing the impact of the future plan, commitments, our pension schemes and any management of financial risk involved. The LHA's target reserve level is set at 6 months (approximately £2.9m). Our current reserve levels are higher than this as we continue to look for suitable properties to expand our portfolio. We also have bought a property in December 2019 and there are plans to further develop this. It seems appropriate as well given the reduction in income due to Covid to hold larger cash reserves.

The general reserves stand at £22,252,740 at September 2020.

Risk Management

The Trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining adequate resources, combined with an annual review of the control of key financial systems, will enable the charity to cope with any future adverse conditions. The Trustees reviewed the Annual Risk Matrix in August 2020. The Trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate significant risks. The Finance Audit and Risk Committee (FAR) reviews and updates the Trustee Board as necessary and have identified the following as the highest risks:

1. Covid-19
2. Brexit and the impact on the LHA Volunteer Scheme
3. Changing Market Place

The following actions have been taken to mitigate these risks:

1. Covid19

LHA has successfully implemented a Covid-19 safe and secure protocol to enable the hostels to remain open throughout the global pandemic. LHA has worked with the appropriate local authority compliance teams and introduced comprehensive staff and volunteer training.

2. Brexit and the impact on the LHA Volunteer Scheme

LHA has taken the appropriate action to review visa implications post-Brexit and introduced a marketing strategy to mitigate the potential restrictions.

3. Changing Market Place

LHA has reviewed the effects of both post-Covid-19 and post-Brexit on the London accommodation sector and the changing needs of its beneficiaries. A full review of the current property portfolio has been commissioned to ensure future accommodation is aligned to changes in the market place.

LHA update related to coronavirus disease 2019 (Covid-19) outbreak

The impact of the coronavirus outbreak on public life and the London accommodation sector has resulted in reduced occupancy within the LHA portfolio. While this is expected to have a negative impact on the financial performance of LHA in 2021, the company cannot quantify the magnitude and duration of such impact at this time given the fluidity of the situation. LHA hold substantial reserves to support the Charitable objective. LHA continues to monitor and assess its business operations daily, and will provide an update to stakeholders as appropriate. In connection with the Covid-19 outbreak, LHA has implemented precautionary measures and protocols based on recommendations from official health authorities.

Trustees' Review and Strategic Report

LHA Services Limited for 2019/20

LHA Services Ltd (LHAS), wholly-owned by the Charity, acting under a licence and agreement signed in 1991, fills casual room vacancies particularly in holiday times and between long-term bookings. It also provides residents with amenities such as laundry provisions and vending machines.

After payment of the licence and agreement fee in the sum of £66,000, LHAS has a taxable trading surplus and in accordance with the covenant signed on 1st October 1997, an amount of £105,228 is to be transferred to the Charity in the year 2020/21.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgments and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the charitable company will not continue in business

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board



Tony Perkins
Company Secretary
23th February 2021

Opinion

We have audited the financial statements of LHA London Limited (the 'charity') for the year ended 30 September 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and of the charity's affairs as at 30 September 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Other information (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 37, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit report

This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them 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 members as a body for our audit work, for this report, or for the opinions we have formed.

Nicola Wakefield (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

2nd Floor, 6 Sutton Plaza, Sutton Court Road, Sutton, SM1 4FS

Date:

LHA London Limited
Financial statements for the year ended 30 September 2020
Consolidated statement of financial activities

| | Notes | General Funds £ | Designated Funds £ | Total 2020 £ | Total 2019 £ |
|--|-------|-----------------------|--------------------------|--------------------|--------------------|
| Income | | | | | |
| <i>Income from charitable activities:</i> | | | | | |
| Operation of hostels | | 11,031,293 | - | 11,031,293 | 13,801,918 |
| <i>Income from other trading activities</i> | 4 | 249,728 | - | 249,728 | 571,163 |
| <i>Income from investments</i> | | 221,633 | - | 221,633 | 178,859 |
| Total income | | 11,502,654 | - | 11,502,654 | 14,551,940 |
| Expenditure | | | | | |
| <i>Raising funds:</i> | | | | | |
| Commercial trading operations | | 54,689 | - | 54,689 | 95,696 |
| Investment management fees | | 53,690 | - | 53,690 | 3,065 |
| <i>Charitable activities:</i> | | | | | |
| Operation of hostels | 5 | 7,171,556 | - | 7,171,556 | 7,399,956 |
| Total expenditure | | 7,279,935 | - | 7,279,935 | 7,498,717 |
| Net income before transfers | | 4,222,719 | - | 4,222,719 | 7,053,223 |
| Gross transfers between funds | | (5,291,645) | 5,291,645 | - | - |
| Net (expenditure)/income after transfers | | (1,068,926) | 5,291,645 | 4,222,719 | 7,053,223 |
| Revaluation of property | 10 | - | - | - | 33,637,476 |
| Gains on investment assets | 11 | 823,531 | - | 823,531 | 42,492 |
| Net (expenditure)/income before actuarial movements | | (245,395) | 5,291,645 | 5,046,250 | 40,733,191 |
| Actuarial (loss)/gain on pension scheme | 15 | (1,226,000) | - | (1,226,000) | 24,000 |
| Net movement in funds | | (1,471,395) | 5,291,645 | 3,820,250 | 40,757,191 |
| Fund balances brought forward at 1 October 2019 | | 23,724,135 | 236,847,796 | 260,571,931 | 219,814,740 |
| Fund balances carried forward at 30 September 2020 | | 22,252,740 | 242,139,441 | 264,392,181 | 260,571,931 |

All amounts relate to continuing activities; there were no recognised gains or losses other than those included above.

LHA London Limited
Financial statements for the year ended 30 September 2020
Balance sheets

| | | ----- Group----- | | ----- Charity ----- | |
|---|-------|--------------------|--------------------|---------------------|--------------------|
| | Notes | 2020 | 2019 | 2020 | 2019 |
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Intangible assets | 9 | 12,119 | 16,664 | 12,119 | 16,664 |
| Tangible assets | 10 | 242,139,441 | 236,847,796 | 242,139,441 | 236,847,796 |
| Investments | 11 | 16,239,921 | 1,341,362 | 16,389,921 | 1,491,362 |
| | | <u>258,391,481</u> | <u>238,205,822</u> | <u>258,541,481</u> | <u>238,355,822</u> |
| Current assets | | | | | |
| Stocks | 12 | 10,849 | 12,786 | 10,849 | 12,786 |
| Debtors | 13 | 550,196 | 610,875 | 549,979 | 610,875 |
| Cash at bank and in hand | | 8,260,262 | 23,832,333 | 8,087,984 | 23,588,543 |
| | | <u>8,821,307</u> | <u>24,455,994</u> | <u>8,648,812</u> | <u>24,212,204</u> |
| Creditors: amounts falling due within one year | 14 | (1,529,607) | (2,037,885) | (1,527,856) | (2,227,896) |
| Net current assets | | <u>7,291,700</u> | <u>22,418,109</u> | <u>7,120,956</u> | <u>21,984,308</u> |
| Total assets less current liabilities | | <u>265,683,181</u> | <u>260,623,931</u> | <u>265,662,437</u> | <u>260,340,130</u> |
| Pension (liability) | 15 | (1,291,000) | (52,000) | (1,291,000) | (52,000) |
| Net assets | | <u>264,392,181</u> | <u>260,571,931</u> | <u>264,371,437</u> | <u>260,288,130</u> |
| The funds of the charity | | | | | |
| Unrestricted income funds: | | | | | |
| General | | 22,252,740 | 23,724,135 | 22,231,996 | 23,440,334 |
| Designated | 16 | 242,139,441 | 236,847,796 | 242,139,441 | 236,847,796 |
| | 17 | <u>264,392,181</u> | <u>260,571,931</u> | <u>264,371,437</u> | <u>260,288,130</u> |

The financial statements were approved by the Trustees on 23 February 2021 and signed on their behalf by:



D Conroy
Trustee



A Whiston-Dew
Trustee

LHA London Limited
Financial statements for the year ended 30 September 2020
Consolidated Statement of Cash Flows

| | 2020 | 2019 |
|--|---------------------|-------------------|
| | £ | £ |
| Reconciliation of net income to net cash inflow from operating activities | | |
| Net income for the year | 3,820,250 | 40,757,191 |
| Depreciation charges | 738,919 | 697,011 |
| Amortisation charge | 4,545 | 4,544 |
| Loss on disposal of fixed assets | 771 | - |
| (Gains) on revaluation of fixed assets | - | (33,637,476) |
| (Gains) on investment assets | (823,531) | (42,492) |
| Decrease in stocks | 1,937 | 3,445 |
| Decrease/(Increase) in debtors | 60,679 | (33,091) |
| (Decrease) in creditors | (508,268) | (108,311) |
| Increase in pension liability | 1,239,000 | 52,000 |
| Net cash generated from operating activities | <u>4,534,302</u> | <u>7,692,821</u> |
| Investing activities | | |
| Purchase of tangible fixed assets | (6,031,335) | (1,243,699) |
| Proceeds on disposal of property, plant and equipment | - | 149,440 |
| Purchase of investments | (14,075,038) | - |
| Proceeds from sale of investments | - | - |
| Net cash (used in) from investing activities | (20,106,373) | (1,094,259) |
| Net cash (outflow) / inflow | <u>(15,572,071)</u> | <u>6,598,562</u> |
| (Decrease)/increase in cash in the period | (15,572,071) | 6,598,562 |
| Cash and cash equivalents at 1 October 2019 | <u>23,832,333</u> | <u>17,233,771</u> |
| Cash and cash equivalents at 30 September 2020 | <u>8,260,262</u> | <u>23,832,333</u> |

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention with the exception of investments, functional freehold properties and long leasehold properties which have been included at market value. The financial statements have been prepared in accordance with 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) (effective 1 January 2019) – (Charities SORP (FRS 102)) and the Companies Act 2006. LHA London Limited meets the definition of a public benefit entity under FRS 102.

The principal accounting policies adopted in the preparation of the accounts are set out below. The trustees consider that it is appropriate for these accounts to be prepared on the going concern basis.

Group accounts

These accounts consolidate the results of the Association and its wholly owned subsidiary, LHA Services Limited on a line by line basis. A separate statement of financial activities and income and expenditure account are not presented for the Association itself following exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of the SORP. The financial activities of the charity are disclosed in note 2 to the accounts.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Association and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the accounts. Investment income and gains or losses are allocated to the appropriate fund.

Valuation of properties

Functional freehold and long leasehold properties were included in the accounts at valuation for the first time in 2012/13. These have been valued by Colliers International Valuers UK LLP in December 2019. The properties will be revalued every three years.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

| | |
|---------------------------------------|--------------------------------------|
| Freehold and long leasehold buildings | Nil |
| Short leasehold land and buildings | |
| Furniture, fixtures and equipment | 10 - 20 % p.a Straight line method |
| Motor vehicles | |
| Computer equipment | 20 - 33.3 % p.a Straight line method |

Moveable furniture and equipment is written out of the accounts after ten years as the Trustees consider that it has a negligible residual value.

Amortisation

Amortisation is provided on all intangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

| | |
|---------------|-----------------------------|
| Website costs | 20% pa straight line method |
|---------------|-----------------------------|

Investments

Fixed asset investments are stated at mid-market value at the balance sheet date. Gains and losses on revaluation of investments held as fixed assets are included in the statement of financial activities as unrealised. Where investments have been sold during the year the difference between sale proceeds and market value at the beginning of the period is included in the statement of financial activities.

Income

Income for operation of hostels relates to income received in the letting of beds for long stays, catering income, sundry income and is shown net of value added tax and discounts.

Expenditure

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing LHA London Limited to the expenditure. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of the resources. Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Overheads and other salaries are allocated between expenses headings on the basis of time spent.

Stocks

Stocks, which consist of consumables are valued at the lower of cost and net realisable value.

Pensions

The Charity operates a pension scheme providing benefits based on final pensionable pay. The expected cost of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the Statement of Financial Activities, so as to spread the costs of pensions over the expected remaining service lives of current employees on the basis of a constant percentage of current and estimated future earnings. The pension scheme assets are valued at market rate. A pension scheme deficit is recognised in full on the balance sheet, but where there is a pension scheme asset this is not recognised unless the asset can be realised through reduced future contributions. The actuarial gains are therefore limited to the gain required to bring the liability to zero.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

In applying the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Trustees' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing 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 both current and future periods.

The key estimate and assumption made in these accounts are considered to be

- (a) Depreciation, which is provided at rates calculated to write off the cost, less the estimated residual value, of each fixed asset over its estimated useful life. This is of particular relevance to freehold properties which have not been depreciated as the residual value is deemed to be in excess of cost.
- (b) The assumptions made in the revaluation of the investment properties. The principal assumptions are the estimated rental potential in each area, the level of demand for similar properties and the degree of discounting applied to reflect the level of shared occupancy rooms.

3 Financial activities of the charity

A summary of the financial activities undertaken by the charity is set out below:

| | 2020 | 2019 |
|--|-------------|-------------|
| | £ | £ |
| Total income | 11,711,022 | 14,693,179 |
| Total expenditure on charitable activities | (7,171,556) | (7,399,956) |
| Investment managers' fees | (53,690) | (3,065) |
| Investment gains | 823,531 | 42,492 |
| Revaluation of property | - | 33,637,476 |
| Actuarial (loss)/gain on final salary pension scheme | (1,226,000) | 24,000 |
| Net income | 4,083,307 | 40,994,126 |
| Total funds brought forward | 260,288,130 | 219,294,004 |
| Total funds carried forward | 264,371,437 | 260,288,130 |
| Represented by: | | |
| Designated income funds | 22,231,996 | 236,847,796 |
| Unrestricted income funds | 242,139,441 | 23,440,334 |
| | 264,371,437 | 260,288,130 |

4 Income from other trading activities

The Charity's one wholly owned trading subsidiary, LHA Services Limited, which is incorporated in the UK, distributes all of its taxable profits to the Charity. The activities of this subsidiary are the provision of short term accommodation and catering services together with the provision of amenities to the residents of LHA London Ltd. The charity owns the entire issued share capital of 150,000 ordinary shares of £1 each. A summary of the trading results is shown below.

| Profit and Loss Account | 2020 | 2019 |
|---|------------------|------------------|
| | £ | £ |
| Turnover | 249,728 | 571,163 |
| Cost of sales and administrative expenses | (144,689) | (275,696) |
| Gross profit | 105,039 | 295,467 |
| Interest receivable | 189 | 803 |
| Net profit | 105,228 | 296,270 |
| Amount distributed to LHA London Ltd | (368,285) | (533,205) |
| Retained (loss) in subsidiary | (263,057) | (236,935) |

The assets and liabilities of the subsidiary were:

| | 2020 | 2019 |
|--|-------------|-------------|
| | £ | £ |
| Current assets | 177,264 | 455,249 |
| Creditors: amounts falling due within one year | (6,520) | (21,448) |
| Total net assets | 170,744 | 433,801 |
| Aggregate share capital and reserves | 170,744 | 433,801 |

Included in administrative expenses are rent of £24,000 (2019 - £48,000) and management charges of £66,000 (2019 - £132,000) payable to LHA London Ltd and these charges have been eliminated on consolidation.

5 Analysis of charitable expenditure

| | Staff costs (note 8) £ | Other £ | Depreciation (notes 9&10) £ | Total 2020 £ | Total 2019 £ |
|-------------------------------|---------------------------------------|--------------------|--|-----------------------------|-----------------------------|
| Charitable expenditure | | | | | |
| House operating costs | 1,798,297 | 2,862,340 | 708,872 | 5,369,509 | 5,552,524 |
| Support costs | 991,207 | 411,652 | 34,592 | 1,437,451 | 1,610,228 |
| Governance costs (note 6) | - | 27,643 | - | 27,643 | 25,134 |
| Donations (note 7) | - | 336,953 | - | 336,953 | 212,070 |
| Total | 2,789,504 | 3,638,588 | 743,464 | 7,171,556 | 7,399,956 |

| Charitable expenditure | House operating costs £ | Support costs £ | Total 2020 £ | Total 2019 £ |
|---------------------------------------|--|--------------------------------|-----------------------------|-----------------------------|
| Details of other costs | | | | |
| Repairs & Maintenance | 300,939 | 1,780 | 302,719 | 243,487 |
| Light and heat | 563,065 | - | 563,065 | 529,927 |
| Catering | 208,519 | - | 208,519 | 257,245 |
| IT costs | 151,498 | 58,374 | 209,872 | 165,831 |
| Water | 240,948 | - | 240,948 | 225,981 |
| Cleaning | 279,086 | 2,081 | 281,167 | 313,909 |
| Insurance | 187,289 | 2,833 | 190,122 | 209,495 |
| Security | 198,282 | - | 198,282 | 189,639 |
| Rates | 90,482 | 97,359 | 187,841 | 261,902 |
| TV Licenses | 14,560 | - | 14,560 | 23,764 |
| Defined benefit pension scheme charge | 64,737 | 52,968 | 117,705 | 113,636 |
| Other costs | 562,935 | 196,257 | 759,192 | 1,132,638 |
| | 2,862,340 | 411,652 | 3,273,992 | 3,667,454 |
| Governance costs (note 6) | | | 27,643 | 25,134 |
| Donations (note 7) | | | 336,953 | 212,070 |
| Total other costs | | | 3,638,588 | 3,904,658 |

6 Governance costs

| Governance costs include: | 2020 £ | 2019 £ |
|---|-------------------|-------------------|
| Audit fees | 16,391 | 15,621 |
| Insurance against Trustees' and Officers' liabilities | 10,315 | 6,160 |
| Trustees expenses | 937 | 3,353 |
| | 27,643 | 25,134 |

7 Donations

All donations were made to institutions and these are broken down as follows:

| | 2020 | 2019 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Albert Kennedy Trust | 38,750 | 35,000 |
| New Horizons | 30,000 | 30,000 |
| Glass Door | 35,000 | 25,000 |
| C4WS | 27,500 | 25,000 |
| The Spires Centre | 37,500 | 25,000 |
| CAYSH | 28,000 | 6,000 |
| St Mary Le Bow | 18,453 | 12,320 |
| 204 Project | 20,000 | 20,000 |
| Evolve | 10,000 | 15,000 |
| Zacchaeus 2k Trust | 26,250 | 18,750 |
| Project Seventeen | 12,500 | - |
| Women & Girls Network | 33,000 | - |
| Refugees at Home | 20,000 | - |
| | 336,953 | 212,070 |

8 Staff costs

| | 2020 | 2019 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 2,311,311 | 2,295,438 |
| Redundancy costs | 107,226 | 15,872 |
| Social security costs | 117,705 | 116,682 |
| Other pension costs | 253,262 | 365,751 |
| | 2,789,504 | 2,793,743 |

Average number of employees during the year

| | | |
|--------------------------|-----------|-----------|
| Head office staff | 15 | 18 |
| Direct maintenance staff | 7 | 7 |
| Hostel staff | 52 | 56 |
| | 74 | 81 |

Number of employees with emoluments in excess of £60,000:

| | | |
|---------------------|---|---|
| £60,000 - £70,000 | 1 | - |
| £120,000 - £130,000 | - | 1 |
| £130,000 - £140,000 | 1 | - |
| £160,000 - £170,000 | 1 | 1 |

2 employees (2019: 2) with emoluments in excess of £60,000 are accruing retirement benefits under defined benefit schemes.

The total of employee benefits received by Key Management Personnel in 2020 is £371,918 (2019: £363,401). Key Management Personnel are the Chief Executive Officer, Finance Director and Operations Manager.

9 Intangible fixed assets – Group & Charity

| | Website |
|-----------------------------|----------------------|
| Cost | |
| At 1 October 2019 | 22,723 |
| Additions | - |
| Disposals | - |
| At 30 September 2020 | <u>22,723</u> |
| Amortisation | |
| At 1 October 2019 | 6,059 |
| Charge for the year | 4,545 |
| Released on disposal | - |
| At 30 September 2020 | <u>10,604</u> |
| Net book value | |
| At 30 September 2020 | <u>12,119</u> |
| At 30 September 2019 | <u>16,664</u> |

10 Tangible fixed assets – Group and Charity

| | Freehold land and buildings £ | Leasehold land and buildings £ | Property improvements £ | Plant and machinery £ | Total £ |
|-----------------------|-------------------------------------|---|-------------------------------|-----------------------------|-------------|
| Cost | | | | | |
| At 1 October 2019 | 221,737,476 | 10,873,534 | 12,981,946 | 1,442,451 | 247,035,407 |
| Additions | 4,776,536 | - | 1,171,379 | 83,420 | 6,031,335 |
| Disposals | - | - | - | (205,316) | (205,316) |
| At 30 September 2020 | 226,514,012 | 10,873,534 | 14,153,325 | 1,320,555 | 252,861,426 |
| Depreciation | | | | | |
| At 1 October 2019 | - | 52,516 | 9,019,422 | 1,115,673 | 10,187,611 |
| Charge for the year | - | 10,503 | 646,205 | 82,211 | 738,919 |
| On disposals | - | - | - | (204,545) | (204,545) |
| At 30 September 2020 | - | 63,019 | 9,665,627 | 993,339 | 10,721,985 |
| Net book value | | | | | |
| At 30 September 2020 | 226,514,012 | 10,810,515 | 4,487,698 | 327,216 | 242,139,441 |
| At 30 September 2019 | 221,737,476 | 10,821,018 | 3,962,524 | 326,778 | 236,847,796 |

The Trustees undertook a valuation of all the freehold and long leasehold properties in December 2019. The valuation was undertaken by Colliers CRE and the properties were valued at £236,500,000 (this includes freehold property, leasehold properties and property improvements above).

Property improvements include £287,670 (2019: £nil) of assets under construction.

10 Tangible fixed assets – Group and Charity (continued)

| Analysis of leasehold land and buildings (charity and group) | 2020 £ | 2019 £ |
|--|-------------------|-------------------|
| Long leasehold | 10,800,000 | 10,800,000 |
| Short leasehold | 10,505 | 21,018 |
| | <u>10,810,505</u> | <u>10,821,018</u> |

| 11 Investments | Investments in subsidiary undertakings £ | Other investments £ | Total £ |
|------------------------------------|--|---------------------------|-------------------|
| Market value | | | |
| At 1 October 2019 | 150,000 | 1,341,362 | 1,491,362 |
| Additions | - | 14,075,038 | 14,075,038 |
| Disposals | - | - | - |
| Net gains for the year | - | 823,521 | 823,521 |
| At 30 September 2020 | <u>150,000</u> | <u>16,239,921</u> | <u>16,389,921</u> |
| Historic cost at 30 September 2020 | <u>150,000</u> | <u>15,340,830</u> | <u>15,490,830</u> |
| Other investments comprise: | | | |
| Bonds | | 2,759,764 | |
| Equities | | 12,047,001 | |
| Commodities | | 354,957 | |
| Real Estate | | 260,671 | |
| Other investments | | 711,178 | |
| Cash for re-investment | | 106,350 | |
| | | <u>16,239,921</u> | |

At 30 September 2020 the following investments represented more than 5% of the quoted investments portfolio by market value:

| | % | £ |
|----------------------------|-------|---------|
| HSBC FTSE All Shares Index | 5.97% | 969,657 |

| 12 Stocks | ----- Group ----- | | ----- Charity ----- | |
|------------------------------|-------------------|--------|---------------------|--------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Household equipment and food | 10,849 | 12,786 | 10,849 | 12,786 |

| 13 Debtors | ----- Group ----- | | ----- Charity ----- | |
|--------------------------------|-------------------|----------------|---------------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Trade debtors | 35,205 | 106,273 | 35,205 | 106,273 |
| Other debtors | 85,493 | 52,147 | 85,493 | 52,147 |
| VAT recoverable | 148,228 | - | 148,228 | - |
| Prepayments and accrued income | 281,270 | 452,455 | 281,053 | 452,455 |
| | <u>550,196</u> | <u>610,875</u> | <u>549,979</u> | <u>610,875</u> |

14 Creditors: amounts falling due within one year

| | ----- Group ----- | | ----- Charity ----- | |
|---------------------------------------|-------------------|------------------|---------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Trade creditors | 503,980 | 373,253 | 503,980 | 373,253 |
| Other taxes and social security costs | 55,004 | 218,313 | 55,004 | 218,313 |
| Amounts owed to group companies | - | - | 4,769 | 211,459 |
| Fees and deposits in advance | 553,714 | 974,876 | 552,667 | 963,241 |
| Accruals | 416,909 | 471,443 | 411,436 | 461,630 |
| | <u>1,529,607</u> | <u>2,037,885</u> | <u>1,527,856</u> | <u>2,227,896</u> |

15 Pension commitments

The charity makes contributions to a defined contribution pension schemes on behalf of a number of employees who are not included within the defined benefit pension scheme. Contributions in the year totalled £117,705.

The Charity operates a defined benefit scheme in the UK. The scheme is closed to new entrants. As a consequence the current service cost calculated under the projected unit method can be expected to increase over time, as the average age of the membership increases. A full actuarial valuation was carried out at 1 April 2018 and updated to 30 September 2020 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

The Charity currently pays contributions at the rate of 31.5% of pensionable pay following the actuary valuation on 1st April 2018.

Present values of scheme liabilities, fair value of assets and surplus

| | At 30/9/20 | At 30/9/19 | At 30/9/18 |
|--|-----------------|-----------------|----------------|
| | £'000 | £'000 | £'000 |
| Fair value of scheme assets | 10,016 | 10,244 | 9,599 |
| Present value of scheme liabilities | <u>(11,307)</u> | <u>(10,396)</u> | <u>(7,759)</u> |
| (Deficit)/surplus recognised in scheme | <u>(1,291)</u> | <u>(52)</u> | <u>1,840</u> |

15 Pension commitments (continued)

Reconciliation of opening and closing balances of the present value of the scheme liabilities

| | 2020 | 2019 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Scheme liabilities at start of period | 10,396 | 7,759 |
| Current service cost | 152 | 132 |
| Interest cost | 195 | 225 |
| Actuarial losses/(gains) | | |
| - recognised in the financial statements | 830 | (24) |
| - not recognised in the financial statements | - | 2,327 |
| Benefits paid & death in service insurance premiums | (266) | (23) |
| Scheme liabilities at end of period | 11,307 | 10,396 |

Reconciliation of opening and closing balances of the fair value of the scheme assets

| | | |
|--|--------|--------|
| Fair value of scheme assets at start of period | 10,344 | 9,599 |
| Interest on assets | 195 | 281 |
| Expected return on scheme assets | (396) | 301 |
| Contributions by employer | 139 | 186 |
| Benefits paid | (266) | (23) |
| Fair value of scheme assets at end of period | 10,016 | 10,344 |

The actual return on the scheme assets over the year ending 30 September 2020 was £201,000 (2019: £263,000).

Total expense recognised in the statement of financial activities

| | | |
|---|-------|-------|
| Current service cost | 152 | 132 |
| Interest cost | 195 | 225 |
| Expected return on scheme assets | (195) | (281) |
| Total expense recognised in the statement of financial activities | 152 | 76 |

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses since the adoption of FRS17 is a loss of £3,140,000 (2019: £2,310,000).

15 Pension commitments (continued)

| Assets | 2020 | 2019 | 2018 |
|---------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 |
| Total assets | 10,016 | 10,244 | 9,599 |

None of the fair values of the assets shown above include any of the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Assumptions

The assets of the scheme have been taken at market value and the liabilities have been calculated using the following principal actuarial assumptions:

| | 2020 | 2019 | 2018 |
|--|--------------------|--------------------|--------------------|
| | % per annum | % per annum | % per annum |
| Rate of discount | 1.60 | 1.90 | 2.90 |
| Inflation (RPI) | 2.90 | 3.15 | 3.30 |
| Inflation (CPI) | 2.10 | 2.15 | 2.30 |
| Salary increases | 2.10 | 2.15 | 2.30 |
| Pension increases | | | |
| Accrued before 1 July 2016 | 5.00 | 5.00 | 5.00 |
| Accrued after 1 July 2016 | 2.10 | 2.15 | 2.30 |
| Revaluation rate for deferred pensioners | 5.00 | 5.00 | 5.00 |
| Commutation | Nil | nil | Nil |

Life expectancy

| | | | |
|-----------------------------------|------|------|------|
| Male retiring at age 65 in 2020 | 22.1 | 22.1 | 22.1 |
| Female retiring at age 65 in 2020 | 24.5 | 24.5 | 24.5 |
| Male retiring at age 65 in 2040 | 23.4 | 23.4 | 23.4 |
| Female retiring at age 65 in 2040 | 26.1 | 26.1 | 26.1 |

Expected long term rate of return

The scheme's assets are invested in a unitised with profit fund. It is assumed that the long term rate of return on the fund will be 2.4% per annum (2019: 2.4%).

15 Pension commitments (continued)

Amounts for the current and previous four periods

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|--------------|--------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Fair value of assets | 10,016 | 10,244 | 9,599 | 9,307 | 8,798 |
| Present value of scheme liabilities | (11,307) | (10,396) | (7,759) | (8,105) | (8,740) |
| (Deficit)/surplus in scheme | (1,291) | (52) | 1,840 | 1,202 | 58 |
| Experience adjustment on scheme assets | (396) | 301 | (3) | 189 | 1,182 |
| Experience adjustment on scheme liabilities | - | - | (144) | (979) | (3,111) |

16 Designated funds

| | Balance at 1 October 2019 | Transfers | Revaluation | Balance at 30 September 2020 |
|---------------------|--|------------------|--------------------|---|
| | £ | £ | £ | £ |
| Fixed asset reserve | 236,847,796 | 5,291,645 | - | 242,139,141 |
| | <u>236,847,796</u> | <u>5,291,645</u> | <u>-</u> | <u>242,139,141</u> |

17 Analysis of group net assets between funds

| | General Funds | Designated Funds | Total Funds |
|-------------------------------|--------------------------|-----------------------------|------------------------|
| | £ | £ | £ |
| Intangible fixed assets | 12,119 | - | 12,119 |
| Tangible fixed assets | - | 242,139,441 | 242,139,441 |
| Investments | 16,239,921 | - | 16,239,921 |
| Cash at bank and in hand | 8,260,262 | - | 8,260,262 |
| Other net current liabilities | (968,562) | - | (968,562) |
| Pension deficit | (1,291,000) | - | (1,291,000) |
| | <u>22,252,740</u> | <u>242,139,441</u> | <u>264,392,181</u> |

18 Operating lease commitments

At 30 September 2020 the group's commitments under non-cancellable operating leases were as follows:

| | Land & Buildings | |
|-------------------------|-----------------------------|-------------|
| | 2020 | 2019 |
| | £ | £ |
| Less than 1 year | 27,881 | 61,610 |
| Between 2 and 5 years | 1,440 | 29,128 |
| After more than 5 years | 27,453 | 27,814 |
| | <hr/> | <hr/> |
| Total | 56,774 | 118,552 |

19 Limited liability

The charitable company is limited by guarantee and does not have a share capital. Every member of the company undertakes to contribute to the assets of the company in the event of the same being wound up during the time he or she is a member, or within a year after he or she ceases to be a member, such amounts as may be required, not exceeding £10.

20 Related Party Transactions

The Trustees receive no remuneration. Travel expenses of £937 (2019: £1,553) were reimbursed to 6 (2019: 7) Trustees during the year.

Included in administrative expenses are rent of £24,000 (2019 - £48,000) and management charges of £66,000 (2019 - £132,000) payable to LHA London Ltd by LHA Services Limited and these charges have been eliminated on consolidation.