



# 2020-21 Annual Report



**LhaLondon**

the heart of London Living

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To view previous years'  
Annual Reports, visit our  
website at  
[www.lhalondon.com/about/](http://www.lhalondon.com/about/)





# Message from our Chair and CEO



**Tony Perkins**  
CEO



**David Conroy**  
Chair

The global COVID-19 pandemic has continued to be a major challenge for us but we did not lose sight of our charitable objectives. Not only did we implement key changes to protect the hostel operation, and our staff, volunteers and residents, but we also launched an initiative to provide hundreds of beds for young homeless people in London. This year, we developed partnerships with a number of charities, which devote their efforts to reducing rough sleeping in London. LHA is proud to support this initiative, as many overnight centres have been forced to close during the pandemic. In times of adversity, our teams came together and proved, yet again, their ability and agility. As well as developing these partnerships, we have also managed, through the 'LHA Fund' to continue funding another 16 charities which support young homeless people or provide related initiatives'.

The financial impact on the charity was severe with our occupancy falling to its lowest ever recorded level. However, the bounceback in resident numbers improved occupancy levels toward the end of the financial year and gave us the ability to drive forward the development of our five-year strategic plan and to continue expanding our bed numbers in the capital. Our trustees, through our Board and its committees, have consistently shown a dedicated approach to the charity's strategic development. For this, we are grateful.

The Board of Trustees and Executive Management Team recognise the demands on our head office and frontline teams and the amazing contribution shown by them throughout such a difficult period. We implemented an LHA Wellbeing Solutions initiative to increase our support to our staff, including training a number of mental health first aiders. Without our people, we would not have been able to support young people in need of affordable accommodation so much. We also supported many of our residents with rent payment support plans as the pandemic took hold and jobs were lost or furloughed.

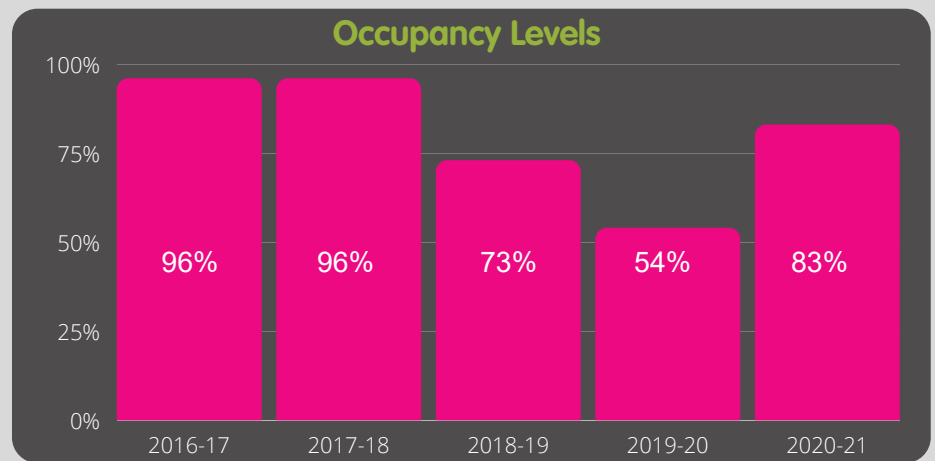
This year saw the production of the first dedicated LHA Social Impact Report. It can be found with our Annual Report at [lhalondon.com/about/](https://lhalondon.com/about/). The impact report will enable us to benchmark and improve our social impact as we move forward. Sustainability is also a vital part of our development: we have increased resources to help us plan and review our sustainability strategy and property portfolio as a fundamental part of the five-year strategic plan.

We were disappointed not to be able to celebrate our 80th anniversary in November 2020 due to COVID-19. Instead, our energies were focused on getting through these difficult times. However, we look forward to meeting the challenges of a changing world in terms of how agile working patterns will impact on the style of accommodation needed in London. LHA continue to monitor and assess the effects of the pandemic and Brexit's impacts. As a secure and resilient charity, we are ready to face the future.

Tony Perkins  
CEO

David Conroy  
Chair

# Our Social Mission



Median age of residents in the financial year

**32.6**



Number of properties across London

**14**



Number of beds in shared rooms

**990**



Supporting

**16**

charities through the LHA Fund



Number of volunteer placements in 2020-21

**230**



**3**

Number of properties re-purposed to help the homeless and vulnerable

**FOOD HYGIENE RATING**



VERY GOOD



Number of catered sites

**4**

\* Two of our catered sites were handed over to charities to provide accommodation for the homeless



# Our Vision, Mission and Values

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

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 to make London their permanent home. All without breaking the bank!

## Our Charitable Objectives

The relief of poverty by provision of, acquiring, establishing, maintaining, managing and conducting hostels to provide low cost living accommodation for students and working people of limited means studying or working in the United Kingdom of Great Britain and Northern Ireland and to further and charitable purpose recognised by English Law by the provision of housing.

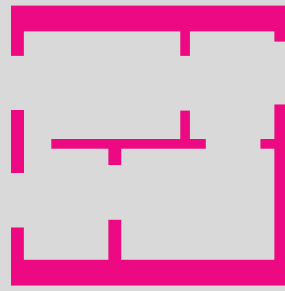
## Our Vision (what we seek to achieve)

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

## Our Mission (what 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.

## Our Values



### 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 will also find that every guest has a lockable drawer 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- to 29 year-olds.

### Flexibility

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

### Home from Home

Our co-living accommodation helps residents meet many like-minded people. But whatever the situation, we are here to help give all our guests a great start in London.

# Our 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 held 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 30/03/21

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 from working on challenging projects at Land Securities. Currently semi-retired and working on a 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, focusing on delivery of innovative investment and finance to enable charities and social enterprises in the UK to deliver and grow 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 the South East Coast Ambulance Service.

# Our Committee Structure



## Finance, Audit & Risk Committee

**Alexandra Whiston-Dew**  
Chair

**David Conroy**

**Giles Byford**

**Toyin Miller**

**Peter Frackiewicz**  
\*Chair effective 07.12.21

## Property Oversight and 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**  
Retired 30.03.21

**Toyin Miller**

**Petra Green**  
\*Chair effective 26.04.22

**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: 54 Eccleston Square, London, SW1V 1PG

### LHA Services Ltd

Company Registration No. 3424128  
Registered Office: 54 Eccleston Square, London, SW1V 1PG



# Message from the Property Oversight and Projects Committee

2020/21



Sue Johnson  
Chair of Property Oversight  
and Projects Committee

**The Property Oversight and Projects Committee is focused on the maintenance, upgrading and modernisation of LHA's important property assets in order to maximise their potential and support our charitable aims. It is also focused on a drive to expand via property acquisition and development.**

Meeting frequency was increased during the year as appropriate to monitor progress on major construction design programmes. During the pandemic, a move to mission critical spends resulted in a brief pause to our projects. As we moved forward and reassessed our financial forecast, the capital budget was reviewed and increased to ensure repairs and renewals were completed according to requirements.

Our major project in Hounslow, West London, to provide 107 high quality, single en-suite rooms for young people on minimum wage working in the locality has received planning permission. We are working towards demolition and a start on the site in spring 2022. We have also completed a phase of due diligence on scoping airspace opportunities at existing sites. The aim is to maximise the bed numbers for beneficiaries in existing locations.

A goal in the five-year strategic plan is to increase our bed numbers by identifying suitable locations through land acquisitions and conversions. We aim to now focus on accelerating the acquisition process and reviewing our sustainability strategy on the existing portfolio with suitable sustainable initiatives.

This pandemic has not halted our phased hostel internal refurbishment programme. This year saw the completion of works at Halpin House, South Kensington, and further floors were refurbished at Bowden Court, Notting Hill.

External Health and Safety Audits have been completed in line with our annual cycle of surveys and inspection.



**Bowden Court**



**Halpin House**

Sue Johnson – Chair of Property Oversight and Projects Committee

# Message from the Finance, Audit and Risk Committee



**Peter Frackiewicz**  
Chair of Finance, Audit and Risk  
Committee

**2020/21**

**The Finance, Audit and Risk Committee was established in February 2020. The LHA Board of Trustees (the 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.**

In the same way as many organisations, LHA London Ltd was seriously affected by the COVID-19 pandemic over the past two years. Notwithstanding this, thanks to the actions of the executive and the staff, as well as the support of the residents and stakeholders, we have managed to evaluate and adapt to the risks presented and we have continued the operational business and maintained a level of financial sustainability which has allowed us to deliver our objectives as safely and effectively as possible.

The Finance, Audit and Risk Committee has been ably steered through this challenging time by my colleague, Alexandra Whiston-Dew, who now, due to increased workload, has stepped down as Chair but will continue on the Committee. As of December 2021, I will take over as Chair. The Board is grateful to Alexandra for all she has done.

## **Finance**

As mentioned above, income declined as resident occupation levels fell during the pandemic. Despite a projected forecast of £948,497 for the year-end, our actual net income is £1,636,270. This improvement is even more notable when we factor in the increased capital expenditure on essential works to the properties, which were deferred from 2019/20, together with the commissioning of third party surveys, feasibility studies and research to assist us in our work on sustainability, social impact and asset development and performance. The latter work will prepare us well for our planned growth over the next few years.

Cash management over the year was controlled by the finance director and her team, ensuring that expenditure was within budget.

As advised in last year's report, our revised investment strategy has been successfully implemented and is regularly monitored. Performance has been good and, as at the end of the financial year 2021, we hold £24.5M in balanced portfolios with Barclays and HSBC, and £4.1M in cash which is used for day to day business, pre-contract project fees and minor capital works and repairs and as a contingency pot.

Since the purchase of Rosemount Hotel and achieving planning consent for its redevelopment we have allocated funds for the project from our investment holdings. The plans for extending Friendship House, if consented, will also be funded from these reserves. New capital assets are being sought and the Finance, Audit and Risk Committee and senior executive team are in discussions about how future project funding will be delivered.

In March 2021, the actuary for the LHA defined benefit pension scheme undertook the triennial valuation. Due primarily to the performance of investments as a result of the pandemic, the deficit is now approximately £1.6M. Increased deficit contributions will be required over the next five-year recovery period. Overall, this reported deficit is not viewed as a material risk to the organisation.

# Message from the Finance, Audit and Risk Committee Continued

2020/21

## Audit

This year's audit was again undertaken by external auditors, Mazars. The report and accounts were prepared by the executive team and have been reviewed by this Committee. The auditor has confirmed their approval. The accounts are included below.

## Risk

The Finance, Audit and Risk (FAR) committee and the Executive undertake a regular review and update of the risk schedule for the organisation, which encompasses all aspects of its operations.

The predominant risk this year has again been COVID-19 and the effect it has on our people and services. Thanks to the national vaccination roll-out and the mitigation measures taken by the staff, the potential serious impact has been averted. Nevertheless, we need to continue to assess our business plan carefully for the future. Health and safety matters are regularly challenged and reviewed. There are no issues to report here. A new Buildings Manager was recruited this year and this combined with additional property surveys has allowed us to ensure the organisation continues to keep the quality and compliance of our hostels up to date and safe. Following a small fire at Davies Court during the autumn, where there were no personal injuries and only minor physical damage, we are pleased to report that all the systems and processes worked as intended.

Notwithstanding the above key issues, the FAR Committee also raises other matters of a financial or risk nature such as scope and cover of insurance policies, resourcing, reputational risk and compliance.

Peter Frackiewicz – Chair of Finance, Audit and Risk Committee



## Volunteer's Voice

### What brought you to London?

The need of opportunities and the desire to live in a dynamic environment that could make me grow professionally and personally. But not only that: I come from a country with a still persistent lack of essential rights for LGBTQ+ community. London (and and this company) are sharing most of the principles and values that are essentials in my life. I feel safe and accepted.

### What do you like best about being a volunteer?

I arrived at LHA in September 2020 as volunteer and I become a part of the staff after a few months. As a volunteer I liked the fact that I had time to volunteer and to work. Accommodation and two meals per day were provided so this was an opportunity for me to save money. The accommodation was clean, with Wi-Fi and a gym, and every day I have met people from all around the world.

Matteo



# Message from the People Committee

2020/21



**Ali Mohammed**  
Chair of People Committee

**The People Committee determines, on behalf of the Board, the charity's policy on the remuneration, HR strategy, recruitment, succession and pensions 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.**

This year saw unprecedented demands upon our teams as we supported our beneficiaries during the pandemic. The Committee met three times during the year. The charity prides itself on providing 24/7 staffing cover and optimising staff effectiveness at the hostels. LHA has continued to support our accommodation provision 365 days a year at both catered and self-catered sites. Our unique volunteer scheme has come under severe recruitment pressure since COVID-19 and Brexit.

The senior management team are planning several initiatives to re-energise the volunteer scheme. The HR Manager has introduced a new performance management system for paid staff together with annual / mid-term appraisals and a defined set of people values which will track the performance of our teams consistently and measurably. It will allow us to ensure that teams and departments across the organisation are working effectively towards achieving the charity's strategic goals.

The Committee reviews the outputs from our key people dashboards and makes appropriate recommendations on the annual salary review to the main Board.

Death in service insurance was introduced this year, along with a suite of training to support mental health at work.

The Committee also takes the lead on trustees' governance training, succession planning, the trustee recruitment process and the group personal pension arrangements.

Ali Mohammed – Chair of the People Committee

## Volunteer's Voice

### What brought you to London?

I was studying at the University of Bristol for my master's degree in 2020/2021, but I would like to explore more about this country while still waiting for my final programme results. Because London is one of the most prosperous cities in the UK and has a great number of job opportunities, I believe London will be a great place for me to stay by getting involved in more activities here and be equipped for the skills required for job opportunities in the future.

### What do you like best about being a volunteer?

I find that I have had more confidence since I started volunteering in LHA. By interacting with other staff and the residents, I notice that I am gradually improving as time passed by. This includes social networking and problem-solving skills. I also find that I have identified some of the weaknesses I have never noticed before, which includes how to have a better interaction with others. Overall, the improvements of skills and the identification of weaknesses give me more confidence to be prepared for my career in the future.

**Yu-Chen**



# Message from the Social Policy Committee

2020/21



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 Social Policy Committee meets four times a year. We have overseen the re-purposing of hostels to provide accommodation for the homeless. Details of this re-purposing and the LHA Fund initiative are contained in this report.

The global pandemic in 2020-2021 resulted in unprecedented demands on our staff, volunteers and residents. We immediately introduced a payment support plan to assist those residents who had fallen on hard times due to COVID-19 unemployment or furlough. Many of our young residents work in the hospitality sector and became the first to be significantly affected. The payment support plan was well received. We held our room rates at pre-pandemic levels throughout the financial year.

LHA prides itself on providing a wide range of room types and services. During the pandemic, we continued to provide breakfast and evening meals at our catered site 365 days a year. COVID-19 stretched our resources, and so our thanks go to our bold, brave teams, who adapted to the fast-changing situations as Government directives changed.

We introduced LHA 'safe and secure' throughout our hostels. During the pandemic, we tackled the issue of self-isolation by moving all residents from shared living into single-room accommodation.

Our gyms closed and our catering staff switched to operating a service to allow all residents to take meals in their rooms.

Our operations team ensured all hostels were cleaned and controlled to protect everyone.

LHA has commissioned research to examine our accessibility to those living in towns and cities in the UK. The research will be available early next year.

We have completed our detailed work to dig deeper into our offer and assess the social impact of the charity. This year marks the launch of the first comprehensive social impact report, which identifies the excellent work being done and gives us a benchmark for the future.

Our volunteer scheme has been a cornerstone of our residents' support services for many years. The year past has been a difficult period to recruit in the post-Brexit and mid-pandemic period. Our People Committee and Executive team are developing strategies to support the needs of hostel services.

Towards the end of the year, we saw a positive bounce back in our occupancy. We thank our sales and marketing teams for rapidly adjusting our campaigns to ensure LHA was able to provide the maximum number of affordable beds to those wishing to work and study in London.

Alec McTavish – Chair of the Social Policy Committee

# LHA's 81 Year Legacy



**LHA is a charity with an 81-year legacy of helping people through its 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 home-from-home accommodation. Respect and personal attention 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 continually reinvented itself but remains consistent in its vision to become the most trusted name in London's affordable hostel solutions.

## LHA's 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

### What brought you to London?

I am pursuing my masters and the reason I choose London is because there is diversity in culture with many people from different parts of the world.

### What do you like best about being a volunteer?

LHA has given me this beautiful opportunity to help the needy and its very satisfying. Moreover, the team members are very supportive and are always there to help. LHA has made it very easy for me to start the London chapter of my life. I love different cultures, food and languages, and here at LHA there are many ways to know about the world with many volunteers from different nationalities working together. Merci, Gracias, Danke and Namaste LHA London for this opportunity!

**Raghav**





# Our Management Team

Our management team provide a great combination of skill sets. We are working hard to move 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 management 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

## Volunteer's Voice

### What brought you to London?

I moved to the UK from Poland back in 2017 for my undergraduate studies in Media Production in Leicester. After having lived there for three years, I started to crave for more social life and professional perspectives. London is certainly one of the most challenging cities to live in, but it's also exceptionally beautiful and incredibly rewarding. Ever since I visited it for the first time back when I was a teenager, I knew I would end up in London eventually – so here I am.

### What do you like best about being a volunteer?

The pandemic has allowed us all to take a deep breath, slow down and think what is really important in life – it's not always about chasing material goods, there is more than just that in life. Not everyone has the comfort of having a safe place or enjoying a hot meal – but New Mansion House is trying to provide these to people in need. Being a part of such a dedicated and kind-hearted team feels truly amazing. Working with a charity helping homeless people is a great opportunity to learn new skills, but also grow as a person – to be able to give support and bring a smile to someone's face is a gift on its own.

**Also, I can confidently say that our little volunteer community feels like a second family – and I feel honoured to be a part of it.**



**Eryk**

# Our Continued Improvements

This year we consolidated our position, with a real focus on improving social impact during the pandemic through our hostel re-purposing scheme. Our sustainability strategy workshop has set the scene for sustainability throughout our five-year plan and beyond. Our refurbishment programme continued with the major upgrade work at our Notting Hill site. We moved from our leased central office team location to a temporary hub to ensure continuity of service and support during the lock down restrictions. The Board of Trustees holds an annual strategy day to review the charity's objective and impact and revise the five-year plan.

Next year sees a focus on the refurbishment of Railton House and Holland House, both Grade Two listed buildings, which form part of our ongoing major internal refurbishment programme. We will also complete external repairs and redecorations at Halpin House in South Kensington. We will continue with our two current development schemes – an additional new build 107 single en-suite rooms in Hounslow, West London, and an airspace development of 62 single en-suite rooms in Southwark.

Expansion of bed numbers is part of the strategic plan. We aim to increase our bed numbers by 500 before the end of the five-year plan in 2026. A focus on the future needs of young people has given us the opportunity to undertake a major research project to look at our accessibility for young working people wishing to begin their career in the capital. This research will be completed in spring 2022. It forms part of our strategy for future site location and style of rooms and social space. Our investment strategy will be reviewed to ensure we are able to support our five-year plan.

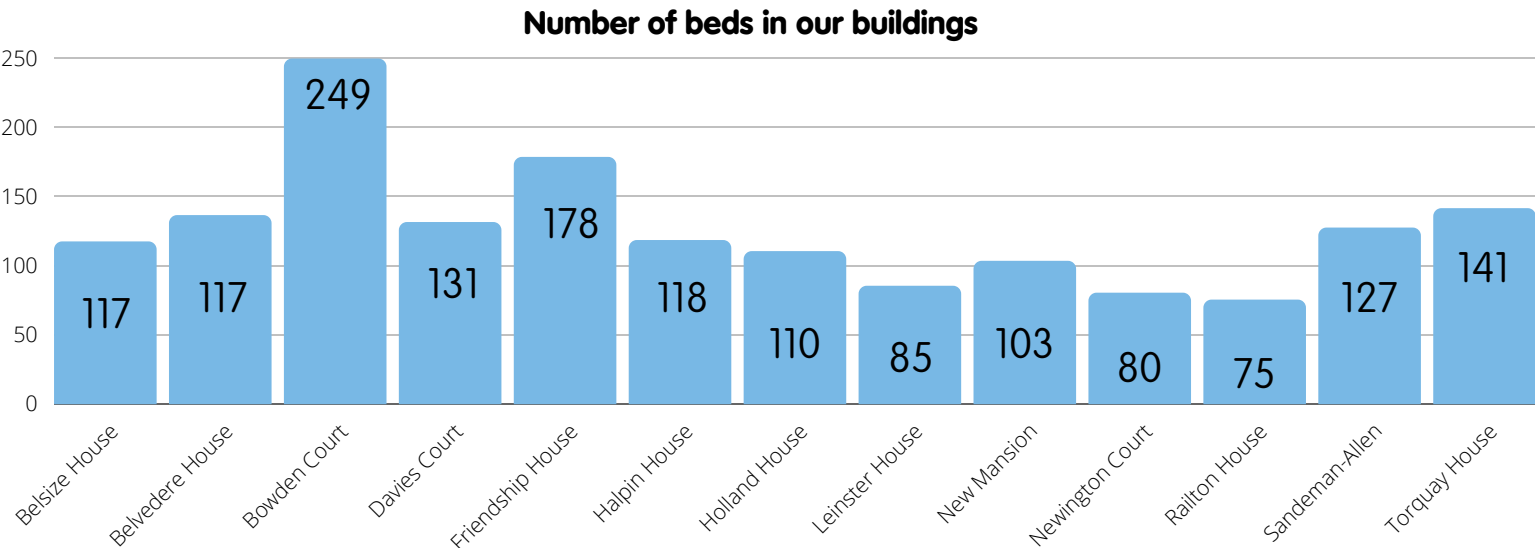
2022 will mark the first year that we will be able to fully benchmark our social impact. Our 2020-21 Social Impact report is available at <https://lhalondon.com/about/>

We have continued to develop our senior management team and are looking to strengthen our property department with additional senior staff to oversee our sustainability strategy, land acquisitions programme and construction/refurbishment projects.

Digital transformation is also a focus in our 2022 financial year. There will be a move to online payments/bookings, and customer relationship management (CRM), and a full review of our digital platforms will also be completed. Our central office team will be relocated to suitable office accommodation with a review and the introduction of agile working practices to fully meet the charity's objective.

We will introduce a performance appraisal scheme to reinforce our people values.

In November 2021, the Trustees will develop the 'LHA-2026 Strategic Plan' to secure, expand and improve the charity's future. Governance is also at the heart of organisation. Trustees' will undergo annual governance training/workshops and will also review the Board's effectiveness on an annual basis.



# Our Equality, Diversity and Inclusion Statement



At LHA London we are committed to supporting and promoting Equality, Diversity and Inclusion (EDI). This has long been our approach and we aim to ensure it continues to be embraced by our staff and management team. It 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 our wider community through awareness, reviews 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 increased the provision of EDI and Unconscious Bias training to our teams.

In August 2021, we rolled out the EDI training for our staff. LHA has made a significant social impact through the provision of accommodation, the volunteer scheme and the LHA Fund. As employees live alongside residents and volunteers, creating supported social spaces within the buildings, the issue of how to embed EDI is an essential part of their work. Hence, we saw the need to train our staff on EDI to create a dynamic, inclusive culture.

This training aimed to :

- Develop confidence in all areas of equality, diversity, and inclusion.
- Understand the current UK legislation and protected characteristics
- Explore inclusive language in the workplace and what it means.
- Provide an opportunity to discuss and understand both conscious and unconscious biases and explore the next steps that one can take in tackling them.

## Equality

A focus on protected characteristics

## Diversity

Its about everyone!

## Inclusion

Feeling valued, respected and heard

## Resident's Voice

I stayed at Sandeman-Allen just before coming to Belsize House – the management team at Sandeman-Allen is superb! The long-term residents at Belsize House are amazingly nice and friendly. I feel really, really safe here; I also love the residential atmosphere of Belsize Park.  
Belsize House Resident



# Our Equality, Diversity and Inclusion Statement Cont.



**In 2022 we will develop our Equality Diversity and Inclusion Strategy:**

**LHA is committed to:**

- Monitoring our residents' diversity needs to ensure the contributions, presence, and perspectives of different groups of people are valued and integrated into our hostels.
- Creating an environment in which individual differences and the contributions of our staff, volunteers and residents' are recognised and valued.
- The provision of a working environment that promotes dignity and respect for all. No form of intimidation, bullying or harassment will be tolerated.
- Providing training, development, and progression opportunities to all staff.
- Ensuring that equality and inclusion in the workplace are good management and business practice.
- Reviewing all our employment practices and procedures to ensure fairness and inclusion for all
- Taking steps to ensure equity of treatment amongst our workforce and that our vacancies are advertised to a diverse range of candidates and, where relevant, to groups identified as disadvantaged or underrepresented, taking positive action to recruit disabled people, and ensuring there are no unlawful barriers to accessing our employment opportunities, training, progression opportunities, benefits and facilities.
- Ensuring diversity in our workforce is regularly monitored to ensure equal opportunities throughout the organisation. Where appropriate, measures will be taken to identify and remove unnecessary obstacles and to meet the special needs of disadvantaged or underrepresented groups.
- Encouraging our residents and other stake holders to participate in reviews of our services, thereby helping us to shape the charity to meet the various needs of our residents.
- Ensuring our LHA Fund recipients, consultants and contractors echo our approach and can demonstrate their commitment to delivering and embracing our EDI principles.



## Volunteer's Voice

### What brought you to London?

Actually, it was a stroke of luck, I was going to Europe to do an exchange, and I got a much cheaper flight if I went to London in advance. When I found out that there was a way to have accommodation for free, I thought, 'That's it, I'm going to visit London'.

### What do you like best about being a volunteer?

The best part is being in contact with other people with amazing travel and adventure stories. It opens your mind to new possibilities and ways of life. And, of course, you can get to know an amazing place while saving a lot of money. This was, for sure, an incredible exchange experience; the people were welcoming and kind and the exchange was fair and beneficial.

**Gabrielle**

# Thriving Through a Global Pandemic

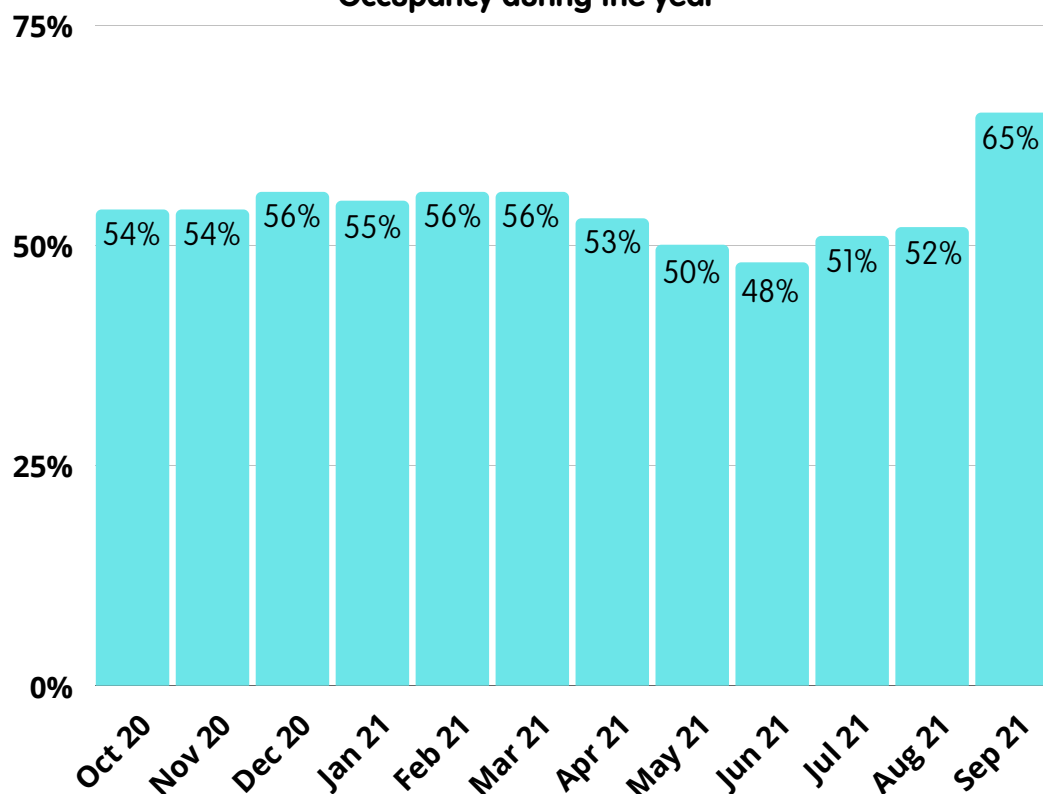
After lockdown was introduced in March 2020, our occupancy was reduced to 87%. As many sectors in London closed or reduced their operations, we saw a mass exodus from the hostels. Many of our residents employed in essential services were grateful to have a Central London base so as to avoid the risk of commuting.

We moved to essential spends only and closed our two smallest catered sites as their viability was in question. The residents from these sites were safely housed in other central catered locations. We had minimal need for the Government's furlough support scheme and concentrated on applying the LHA Safe and Secure protocol to protect our teams and residents.

Occupancy dropped to an all-time low of 45% in July 2020. This gave us the flexibility to use our shared rooms as single-use safe accommodation. Students started booking and existing residents began to book or return to London in August and September. Our September 2020 figures bounced back to 52%.

Our central admin team worked from home in a seamless transition, using cloud-based technology. Our operations and facilities teams continued to support the hostels with on-site visits throughout the year. Governance from our Board continued with virtual Board and committee meetings. We are proud of our brave and bold staff and volunteers.

Occupancy during the year



**PLEASE WEAR A  
FACE COVERING**



**WASH  
HANDS**



**IT'S EASY  
TO GET A TEST -  
TEST TWICE A WEEK**



**DO WHAT YOU CAN  
TO PROTECT THOSE  
AROUND YOU**

# Supporting our Staff Through the Pandemic



During the year we supported our staff as they dealt with the pandemic. Keeping our frontline staff safely equipped to continue our operation was a critical part of our 'COVID Safe and Secure' initiative.



We teamed up with Mind to provide additional support for mental health training and introduced an enhanced level of support by providing mental health first aider training to selected staff. We also enhanced our employee assistance programme to provide free confidential 24/7 help line support.

LHA has a high percentage of live-in staff and volunteers, and this gave our teams easy access to the workplace, helping to avoid the COVID-19 risks associated with commuting on public transport. This also ensured consistent team attendance. We moved our staff who used shared accommodation into single rooms and ensured self-isolation measures as directed by the legislation, were adhered to.



We continued with our staff forums, using virtual meetings and our staff health and safety meeting also continued via teams calls.

Our central office team continued to be home-based and our temporary hub gave the opportunity for team cohesion when it was safe to do so. Home working can be a lonely existence in some circumstances, and so we carefully monitored the needs of our remote workers.

It was also important that we monitored annual leave throughout the year to ensure staff took the appropriate rest from the demanding setting.

As we began to experience pressure on recruitment to our volunteer scheme, we quickly supported the teams with contract staff. We continue to ensure we support our teams.



## Staff Voice

My name is Caterina C. I am the Assistant Manager of Davies Court house - I've been in the company for almost 15 years starting my career as a Volunteer in one of the LHA Hostels.

I was once a resident of Regina House, a hostel belonging to the chain and located in Gloucester Road. During my volunteering period, there has been a moment when an opportunity arose and, thank you to the training received in Regina House, LHA gave me the opportunity to become an Office Receptionist. At that time I wasn't looking for a long-term job situation. My aim was to learn English to my best ability and return home to Italy, where I could resume my career there. After being selected and passed the final interview, I decided to take on the job offer as a sign to expand my working experiences. To have the opportunity to work in a multilingual environment in a foreign country was for me, a new challenge, where I accumulated new knowledge and LHA was the right place where to do so. Since then, my career has been a long learning curve by all means – LHA has given me an excellent training.



# Supporting our Staff



## LHA LONDON

### People Values

#### Supportive



We encourage ourselves and those around us to overcome challenge

#### Open and honest



We are open to all and believe everyone should be able to express their views

#### Welcoming



We act with integrity in everything we do

#### Professional



We take ownership when we should

#### Passionate



We are passionate about delivering exceptional residents experience

#### Knowledgeable



We take pride in our expertise



# Our Sustainability Strategy

This year we began a series of workshops to develop our eight strategic sustainability pillars. Green refurbishment/ new build stewardship, volunteer scheme, external stakeholder engagement, impact reporting, quality management, well-being strategy, living our values and living our purpose.

We will continue to develop Management Frameworks for Green Refurbishments and New Builds, underpinned by a set of stewardship principles. Our properties are our key source of environmental impact. There are some easy gains and some more long-term incremental improvement areas to consider. Frameworks offer a structured way of improving the environmental performance of buildings, helping to identify and mitigate risks, and reducing operational costs and environmental impact. The outcome will be a reduction of environmental impacts and the associated costs of buildings. This will bring about a reduction in carbon emissions and operational costs. Consistent management standards across our assets will be developed.

We need a volunteer strategy that allows us to adapt to the new political and societal shifts, and adds value to our charitable purpose, helping to deliver impact through our core operations. Brexit, COVID-19 and recessions may limit access to EU volunteers. International travel is down and the next few years will likely continue to be volatile. Our day-to-day operations are vulnerable. The Volunteer Scheme can also be better leveraged to deliver our purpose. We will develop ways to supply a sufficient number of volunteers and reduce risk and vulnerability to shocks. Our reputation benefits as volunteers strengthen the credibility of our charitable purpose.

We will identify and develop an engagement strategy for our key external stakeholders. We need better sight of the world from our stakeholder's perspectives. Rapid social change is happening, and we have identified some gaps in how we manage stakeholders.

We will identify and engage our most crucial external stakeholders, that is, residents – both local and global communities – and be aware of what is important for them and their expectations of us. We will work towards a better awareness of risks and opportunities, as well as of changes in perception and the importance of stakeholder issues.



# Our Sustainability Strategy Cont.

We will identify, measure and report all environmental and social impacts. Reporting LHA environmental and social impacts is key to reducing reputational risks, strengthening the organisation's credibility and brand value. This feeds back into our planning and risk assessments. It will provide reputational benefits through clear visibility and transparency of impact creation. We will track efficiency opportunities and our success in capitalising on those opportunities.

We have a responsibility to make sure staff, residents and communities are healthy and well – that are not negatively affected by our operations – to understand our responsibilities in a COVID-19 world, and to know what is disrupting our operations. Already on the agenda for HR are issues related to those living on-site: staff and volunteers. Addressing wellbeing can encourage longer-term residents. We need to create enabling conditions for good health and wellbeing. COVID-19 has created challenges on wellbeing, increased loneliness and mental health issues. A wellbeing strategy is when we identify new responsibilities, health risks and what is impacting the charity, and then develop a plan to manage and reduce these.

The outcome will be the identification of wellbeing risks and impacts, increasing the health, productivity and satisfaction of staff, residents and volunteers, the development of insights into planning refurbishments/ new builds. This will produce improvements to brand and reputation. We wish to create a culture of working together to drive performance and standards. We will review how we approach developing and managing our people, to drive better performance for both individuals and the charity. The aim is that everyone feels enabled and empowered to fulfil the charitable purpose and that it becomes part of our culture, control systems and decision making. Unlocking the potential of our people by giving opportunities for improving skills, performance and engagement is critical. This will link every activity and everyone to the charitable purpose. We wish to show our responsibility to our people and engage them as active contributors to the change we want to create.

The outcome will be a better alignment of values and competencies, improved skills, increased productivity, clear responsibilities and ownership, and improved work outcomes, engagement and loyalty.

We wish to engage with beneficiary groups and view our operations through the lens of our charitable purpose.

We will identify and engage with key beneficiary groups that help us deliver our charitable purpose best and support our residency goals. This will maximise our impact and show the contribution of our charitable obligation, improve our reputation, focus our efforts on beneficiaries and relevant residents, and support a more secure residency pipeline.

# LHA 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 gaining experience and developing new skills whilst giving back, fulfilling LHA's charitable aims of LHA.

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

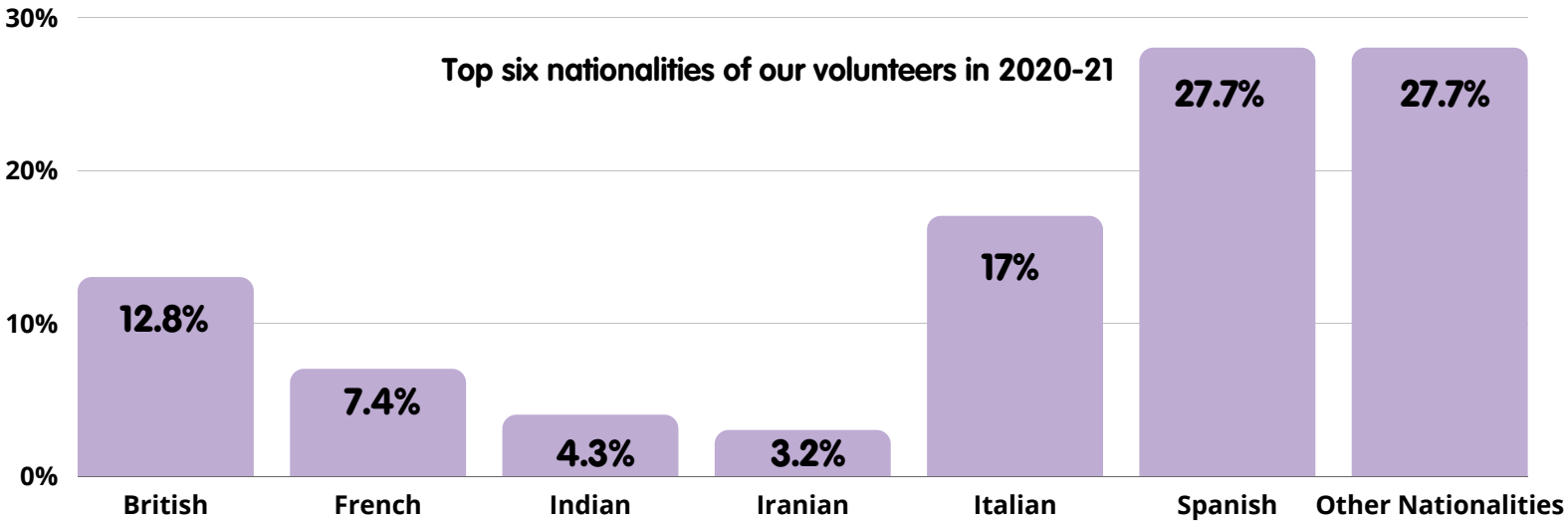
Volunteers at LHA not only improve their English and gain valuable training, but also make some amazing friends along the way. Plus, the experience will look great on their CV. It is a win-win for anyone starting their new London adventure.

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

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

The types of duties which form part of a volunteer's role vary by property and can change from day-to-day. Usually, volunteers in catered properties:

- Help set up, serve and clear away at meal times – breakfast and evening meals, and lunch at weekends. They keep the kitchen, dining room and other catering areas clean. This includes washing up, cleaning appliances and operating the dishwasher.
- Help the cook with basic food preparation, put away deliveries and keep the kitchen and cooking utensils clean and tidy.
- Do everyday general cleaning and portering duties, covering all areas, including cleaning showers, toilets, bedrooms, public and communal areas, immediate external areas, kitchens and dining rooms.
- Do occasional special cleaning, for example, carpet cleaning, deep cleaning areas, oven cleaning, washing down walls, laundry, and cleaning vents and the insides of windows.
- Change bed linen, and count and prepare laundry for collection.
- Perform office duties, including check-in/out, dealing with enquiries, taking bookings, responding to complaints, logging/reporting problems and maintenance issues.
- Conduct night porter duties, offering basic office cover and contact for residents after office hours. Some cleaning duties may also be required.





# LHA Volunteers Cont.



James Ismael Jose Gale Gbagbe, France

## What brought you to London?

I was referred by a friend who was working for LHA Railton House.

## What did you volunteer at in LHA?

I volunteered as a receptionist.

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

As a receptionist at Railton House, I mostly cover evening shifts. I start my duties at four in the afternoon. My first task when I get to the office is to check that the printed statement is balanced out correctly; then I ask the staff on duty if there is anything I should know before taking over the shift, such as new arrivals, resident departures, which task to assign to the evening cleaners or anything out of the ordinary that happened before my arrival.



Then I check the dirty laundry basket if any laundry needs to be done. Then I walk around the hostel to make sure the kitchen, corridors and stairs are up to the company standard of cleanliness, so I can better direct the evening cleaners where to focus when assigning tasks. While walking around the building, I also check for any damaged, hazardous or faulty electrical equipment so I can report it to maintenance.

Throughout my shift, I answer phone queries, reply to emails and take payments from residents wanting to pay their rent.

And finally, before I pass over my shift to the night porter, I walk around the hostel to check if the cleaners have done their duty up to the expected standard and then close the till for the day.



## Volunteer's Voice

Volunteering for LHA at Halpin House: 'I have been a volunteer in Halpin House for four months now. So far it has been great! It's a safe and secure place to live and work, with a friendly environment. I did improve my English and skills as well.'

**Maria**





# LHA Family

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 door to gaining experience and developing new skills whilst giving back, fulfilling the LHA's charitable aims.

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.

We have a long list of staff who started their LHA journey as a volunteer and now hold various positions in the company, ranging from House Manager to Business Support Manager.

## Chi – Residential Services Manager

'I have been with LHA since 2004, first as a volunteer at Sandeman-Allen House and Friendship House, then as a supervisor at Bowden Court. I was made Assistant Manager of Davies Court, where I worked from 2010 to 2016, before being appointed Manager of Torquay House. I was promoted to a position at Head Office as Residential Services Manager in June 2018. The opportunities and training that LHA have provided me have helped my career progress immensely.'

## Laura – House Manager

'I have been with LHA since 2010, 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 a House 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, an Assistant Manager and now House Manager.'

## Franco – Assistant Manager

'2022 will mark my tenth anniversary in LHA, which is something quite extraordinary as it is common these days to change employers quite often. I am grateful to LHA London as it gave me the opportunity to work and live in Central London, one of the most vibrant and cosmopolitan cities in the world. It started as a part-time job. Then I was given the opportunity to be employed full time and also had an opportunity to get a further promotion as Assistant Manager when we opened a new hostel, Torquay House, in 2015.

I am privileged to have worked in different types and sizes of hostels, from Victorian houses to new state-of-the-art modern buildings, and to have met and interacted with many different people, from all walks of life and backgrounds. This has helped me in developing such skills as empathy, patience and emotional intelligence. Further, during these years, the work flexibility within the company allowed me to get a Bachelor's Degree in Leadership and Management with the Open University Business School.'



# Board of Trustees' Governance

**We take the governance responsibilities of the Board of Trustees seriously. We observe the Charity Commission's governance code. Our Board comprises trustees with professional qualifications in planning, construction, project management, economics and finance, HR, social policy and law, providing a great breadth of skills at this level. Trustee training is an ongoing process: it 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 a rigorous review should a trustee consider standing for the Board for a fourth term. Recruitment of new trustees is carried out through a bi-lateral approach of networking and using professional recruitment services, including agencies that specialise in finding excellent trustee-level candidates for the charitable 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 appropriate Board meeting. There is a formal induction process for new trustees, which includes a trustee familiarisation pack.

The Board follows Charity Commission Governance guidelines by limiting Board numbers to 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.

## Volunteer's Voice

### What brought you to London?

I've wanted to travel and live in a different place where I was born and raised for a long time. I had a map and London was one of my most desired trips. I have always had an open mind and I thought that knowing other cultures, other ways of living, thinking about other parts of the world enriches me a lot. So it has been. Undertaking and having an initiative has been one of my values.

### What do you like best about being a volunteer?

During these six months, I have grown and learned a lot at New Mansion House. The learning has been a pleasant and honest experience since the manager, assistant manager, supervisor, chef and night porter have instilled in me the values of the company and working as a team, they are involved in teaching you. In these moments we work with a charity with homeless and, therefore, growth and learning is multiplied by two. We collaborate with the charity, helping people who really need support. Giving a service and doing it well will be grateful and therefore is rewarding.



**Vidina**

# 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 provide a 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 deposits and easy exit, together with just seven 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 accommodation 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 provide contents insurance, inclusive of laptop cover, with free gym facilities at our LHA life option sites.

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. During the year all LHA sites had 24-hour 'live-in' staff. Affordable packages across a 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, are much valued by our residents. We effectively support the community by providing affordable accommodation in London, reducing costs for young working people and students in the capital.

## Volunteer's Voice

### What brought you to London?

I lived in London before and have travelled around the UK and parts of Europe. I think it is a great city with many opportunities.

### What do you like best about being a volunteer?

Helping others, meeting new people whilst gaining valuable work experience.

Jade

'The measures taken during the COVID-19 pandemic were great. I received good financial aid when I was not able to pay my whole rent.'

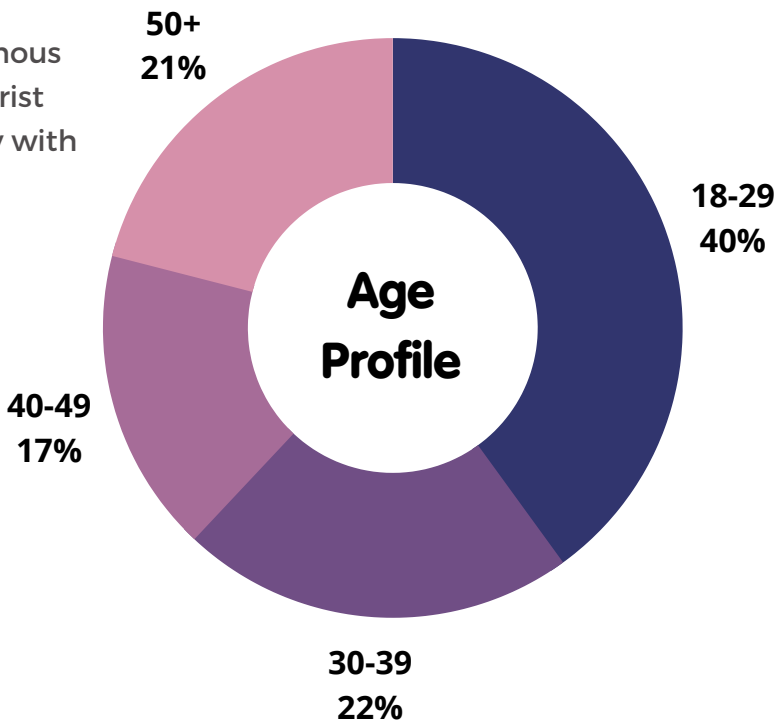
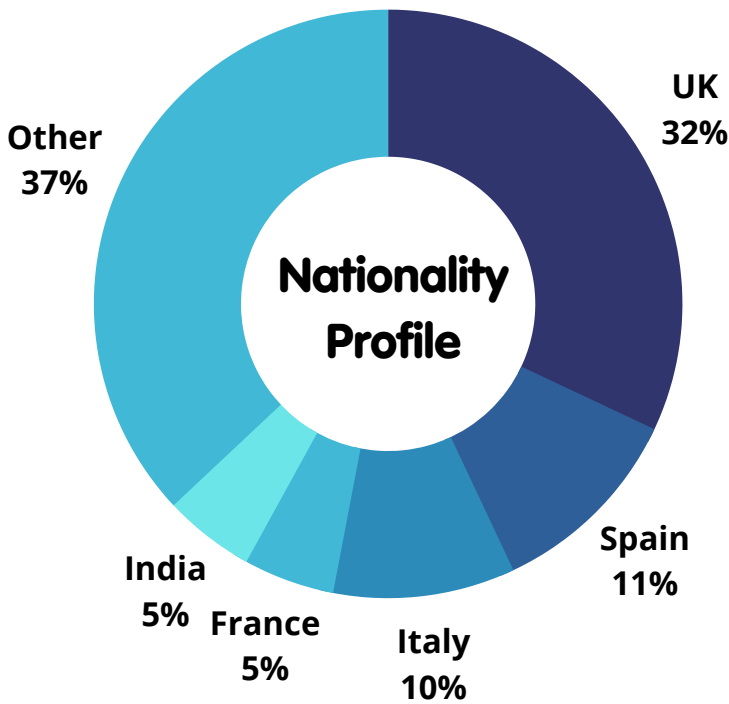
**Belsize House Resident**

# Our Residents

Typically, LHA's residents fit into one of our 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 as shared accommodation. All room formats are complemented by communal living space.

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



Percentages reflect average across the financial year

## Resident's Voice

Torquay House Management are exceptional and have made our stay here a great experience! Also, they have handled COVID-19 in the best possible way and have made sure that all safety measures are kept.  
Torquay House Resident

## Resident's Voice

I am extremely happy. In two-and-half years in Bowden Court, and 16 years in Halpin House I've never had one bad neighbour or bad manager. Everybody always has been so nice and kind to me, I made very good friends here.  
I am very, very grateful.  
Halpin House Resident



# Residents' Wellbeing



**Torquay House**

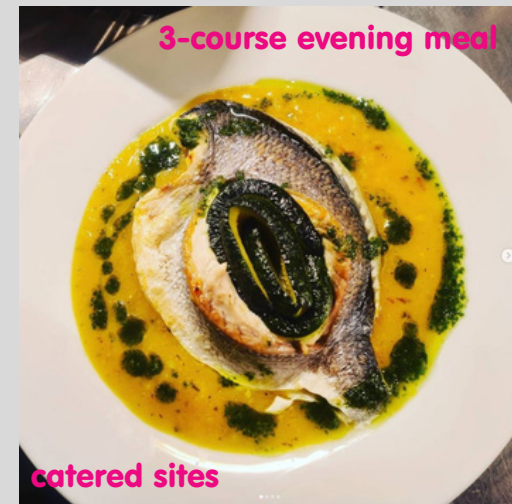


**all inclusive weekly fees**



**our accommodation**

**dorm to studio options**

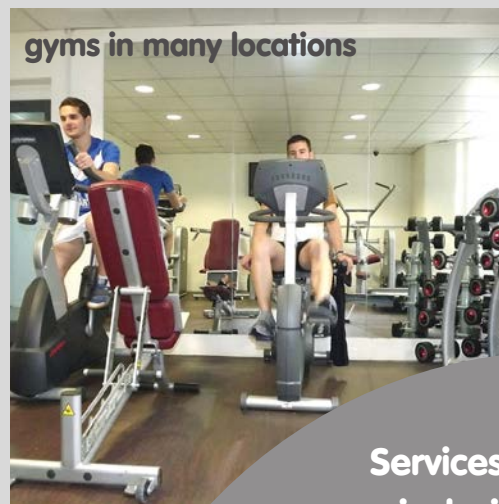


**3-course evening meal**

**catered sites**



**ample cycle storage**



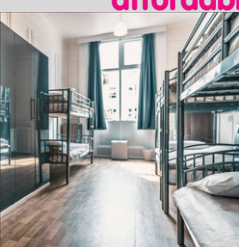
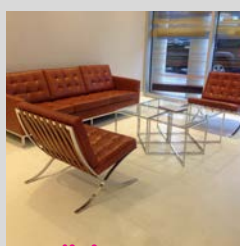
**gyms in many locations**

## 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 & Safety is paramount to the organisation.
- In our catered sites, we provide breakfast and a 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.
- The LHA 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 paid.
- Comprehensive maintenance service.
- Communal room with TV.



**affordable co-living**



# Our 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 we seek to achieve)

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

## Our Mission (what we need to do to deliver the vision)

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

## Strategic Plan

LHA's strategic objectives and vision is to own and manage secure, diverse, good quality and affordable accommodation comprising more than 500 additional beds by 2026. The Trustees held their annual Trustee Strategy Day in November 2020 to consider implementing an appropriate five-year plan and have already updated the plan at a subsequent meeting. The outputs of the Away Day included commissioning a review of the existing property portfolio, introducing a mechanism for the measurement and improvement of social impact, reviewing the housing needs for London and the needs of young people of limited means. The global pandemic and Brexit's effect on accommodation needs and work/life balance changes will be closely assessed to ensure LHA's future offer is fit for purpose.

We offer accommodation services that provide a stepping stone for young people to advance their careers and education whilst meeting their reasonable needs and enhancing their wellbeing. In addition, LHA will develop a concept providing even more affordable accommodation for less well-off beneficiaries, possibly outside zone1and2 but within the M25. Our zone for the project will be the first with eligibility criteria to focus solely on those under 25 who are earning the London living wage.

The minimum standards will be defined by research carried out by the Social Policy Committee – a Committee of the main Board. This year's Social Impact Report will guide our impact benchmarking 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.

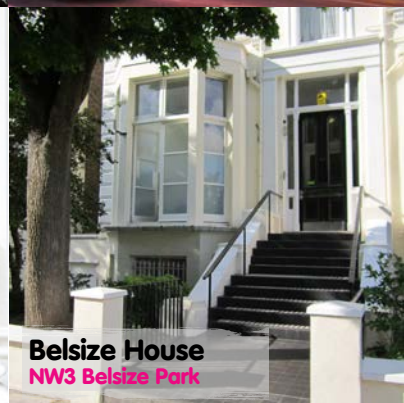
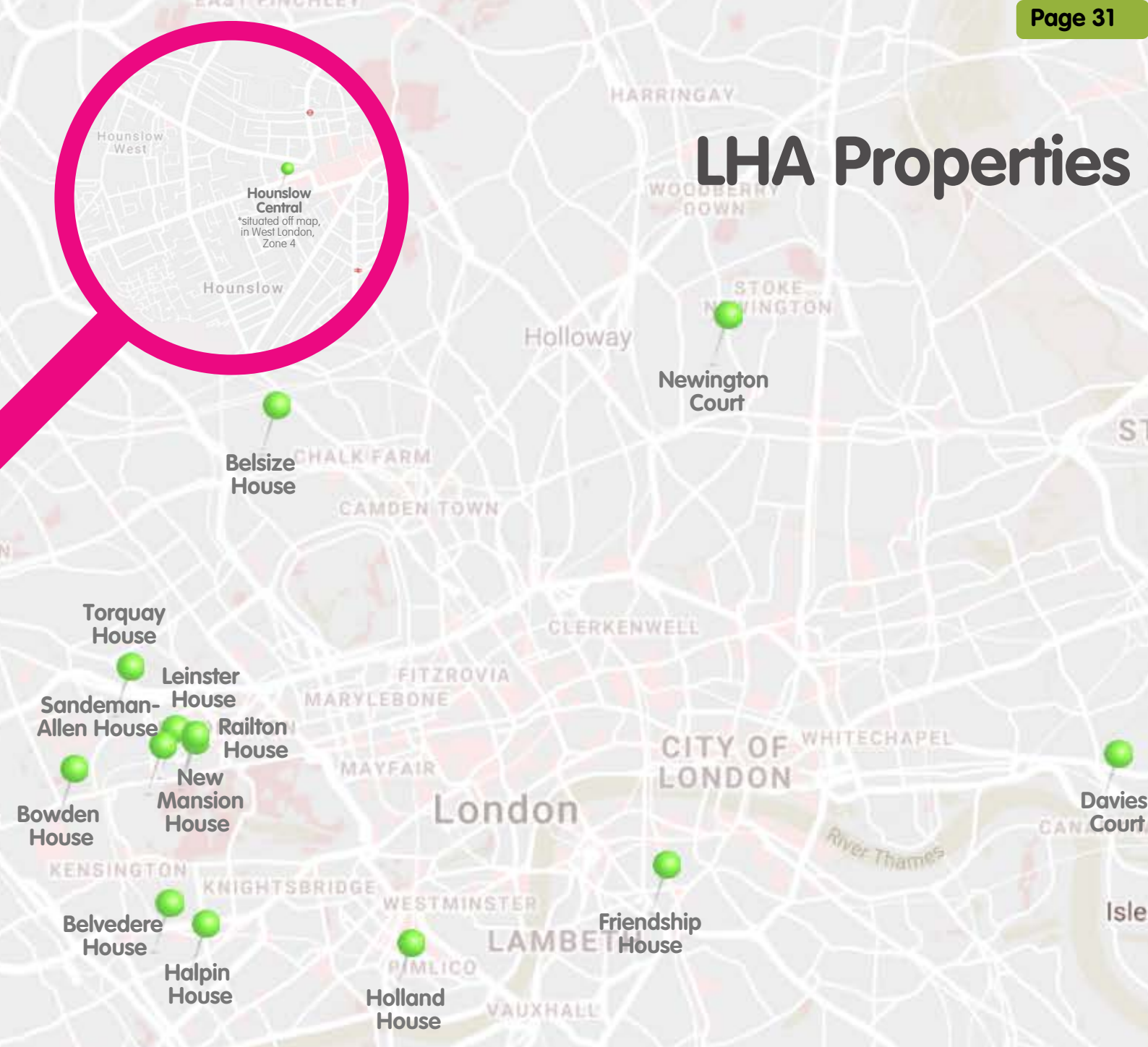


## Our performance is based on:

- 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
- A commitment to placing diversity at the heart of our organisation



# LHA Properties

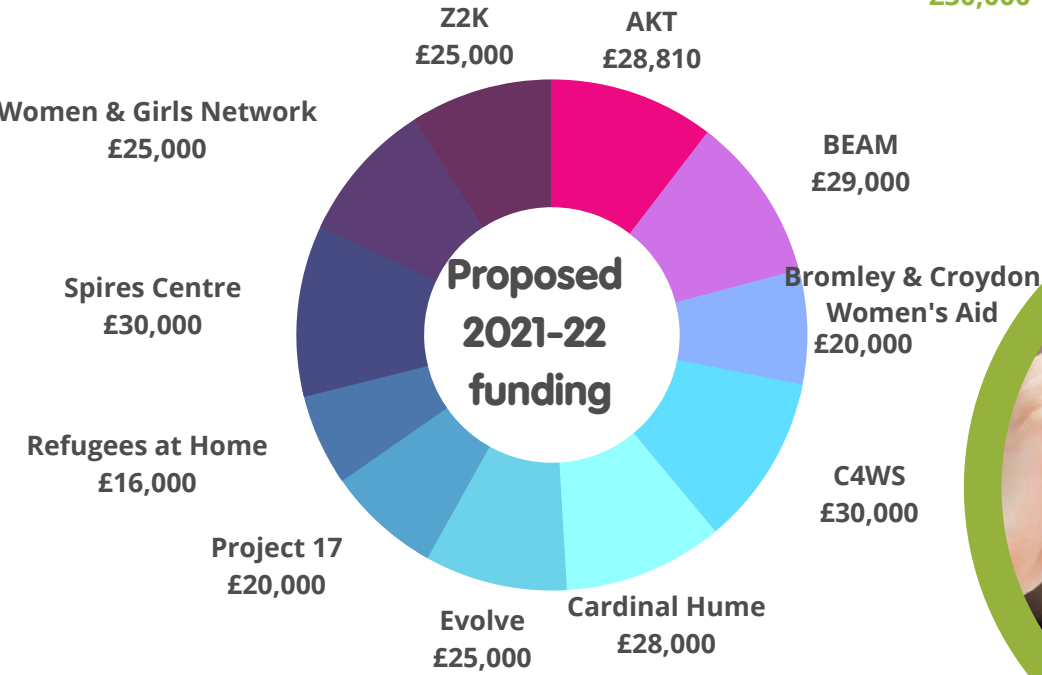
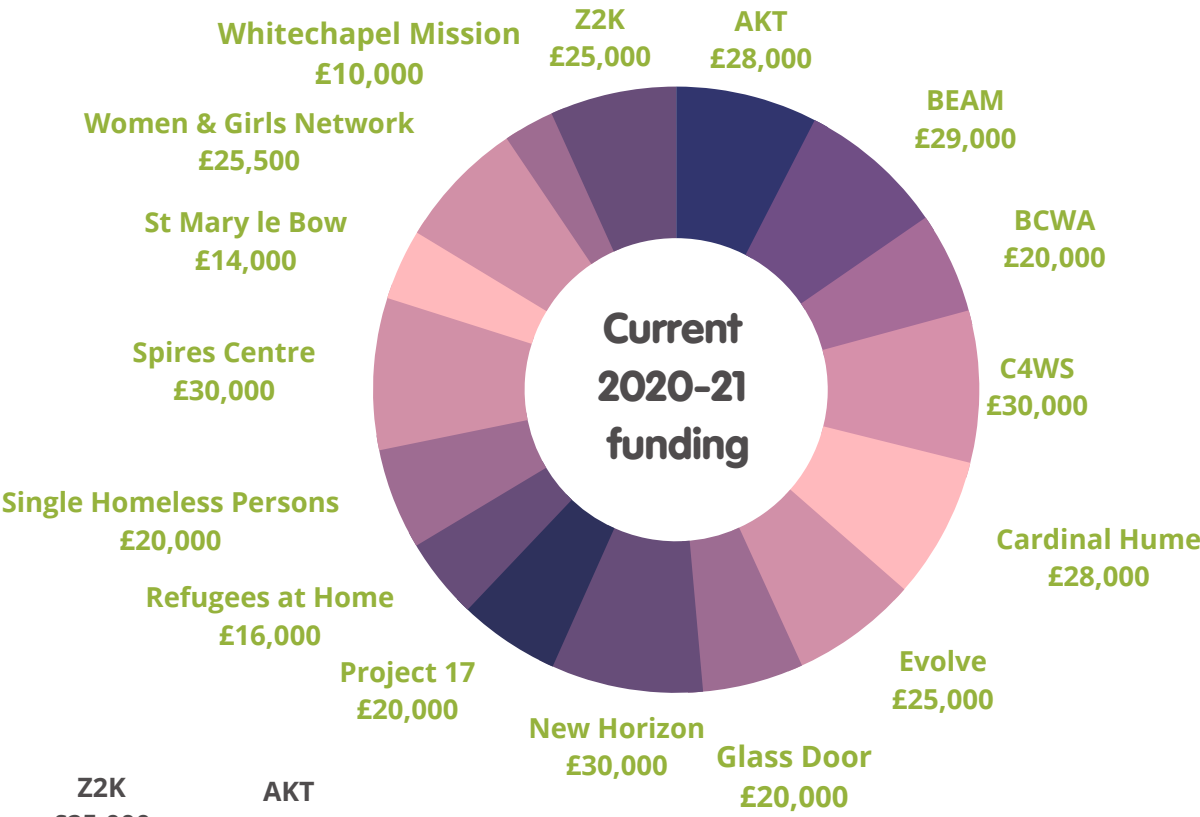


# LHA Fund and Communities

LHA 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 provided grants totalling £370,500.

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 the intended recipients for the 2021/22 funding round.





# LHA: Supporting the Homeless and Vulnerable in London

During the COVID-19 pandemic we re-purposed three of our hostels to provide much-needed accommodation for the homeless and vulnerable. We responded quickly to the needs of other London charities who specialise in the homeless. This year we worked with Glass Door, The Passage, New Horizon, and De Paul. This produced over 100-bed spaces which in turn gave hundreds of young homeless people a safe place to stay with in-house dedicated support. Working closely with these organisations has increased both our social impact and our charitable objectives. We intend to explore additional re-purposing initiatives throughout 2022. We have assisted these projects using some of our LHA hostels teams and catering staff.



The Passage Homeless is a well-respected Westminster charity, which closed their Pimlico site for major refurbishment in May 2021. Holland House was offered to The Passage to ensure they could continue their mission to provide resources that encourage, inspire and challenge homeless people to transform their lives.

'We would like to thank everyone at LHA especially Tony, Ben, and his team for all their help in supporting us to settle into the building at Holland House. We had as smooth a move as could have been hoped for at the beginning of June and our residents, staff and volunteers are delighted with our temporary home. The environment is light, bright, and spacious and this has had a significant positive impact on everyone.

Holland House has enabled us to enhance our support by increasing the number of groups and activities we can offer, and it has been wonderful to be able to bring back activities that had to be stopped prior to the lifting of all restrictions. Bringing in security has also helped to manage any issues that might arise in the community because of our presence, and I am pleased to report that, so far, we have not had any complaints from neighbours.

We moved into Holland House with 24 residents and have since moved a further 36 people off the streets into the service to the end of August. During this same period 25 people moved out of the service of whom 18, or 72%, experienced a positive move on into accommodation.

We were also able to provide a further six people with short term six-week stays in specialist beds to recuperate following hospital stays or periods of illness.

We so appreciate the opportunity you have given us to use Holland House while we are refurbishing our own building, it has allowed us to continue our offer our rapid'



Given the growing need for emergency accommodation, the Greater London Authority, London Councils, Depaul and New Horizon have been meeting to discuss developing an emergency accommodation hub for under-25s sleeping rough in the capital.

Launched in late March 2021 and making use of the LHA Hounslow site, the hub accommodates up to 350 young people and, in turn, save lives. This provision strengthened the safety net for the most at risk, giving young people in London at danger of sleeping rough a safe place to stay in the short-term until they find somewhere to call home in the long term.

The project gives residents complete wrap-around support. Depaul use their experience delivering accommodation projects for young people to run the property and provide 24/7 on-site support workers. Alongside its youth-focused street outreach, New Horizon offer specialist advice, help young people into move-on options and provide a range of services, such as counselling, healthcare, independent life skills development, and education and employment support. Young people are also able to access family mediation and immigration advice from the Cardinal Hume Centre.

GLASSDOOR

Since opening in November 2020, 183 individuals in need of emergency accommodation have found a safe room and means. In all, Glass Door were able to provide over 11,850 bed spaces.

**With caseworkers help, 26 guests moved into more permanent accommodation. Nine guests found work, 13 secured benefits and 11 applied to the EU Settlement Scheme.**



Photo Credit: Glass Door

94% of the 66 hostels guests responded to an anonymous survey rating the service overall as 'excellent' or 'good'. One guest said One guest said: 'I was treated by all the staff with respect at all times. You all help a lot. Thank you very much.'

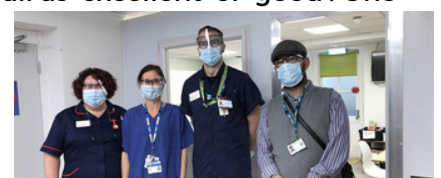


Photo Credit: Glass Door

# LHA Fund – a Selection of Case Studies 2020-21

## akt

Sarah went to akt fleeing violence from her current partner. She had nowhere to go that evening and a void at Purple Door had become available that morning. After a short assessment Sarah was issued a temporary four-week licence in the project.

Sarah engaged well with her keyworker in weekly sessions and positively contributed to resident meetings. As a result, Sarah was granted a six-month licence.



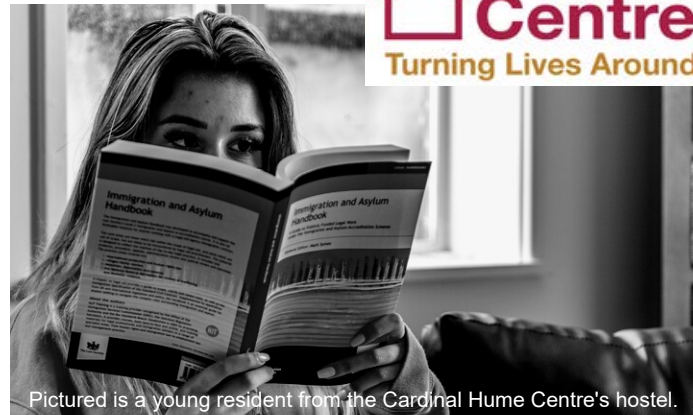
Over the course of her time Sarah grew in confidence and positively engaged with akt's youth engagement programme.

Sarah secured work and started a new relationship as a result of the boost in her confidence. Sarah's confidence grew and at the end of her licence period was eligible for an akt Rainbow Starter Pack grant to access private accommodation.

Sarah secured a promotion into management at work and relocated outside of London to take the job and get a fresh start. Sarah made use of the grant to access accommodation close to her new job and was assisted with furniture items to furnish her new property.

Sarah is currently successfully maintaining her new property and enjoying her new job role

Cardinal Hume  
**Centre**  
Turning Lives Around



Pictured is a young resident from the Cardinal Hume Centre's hostel.

Passionate about animal rights and wildlife, Natasha, 19, started a science-based degree at university. Academically very capable, she found the transition into higher education challenging. She was particularly reserved and ultimately, social anxiety led to her leaving the university.

Natasha's mother who had been supported by the Cardinal Hume Centre's employment team, suggested she get in touch. Natasha began working with Employment Specialist Jeanita. She completed the pre-employment training programme and joined the professional mentoring scheme.

She was matched with a mentor, a young professional working in HR. They quickly established a rapport and her mentor began working with Natasha, to maintain her momentum and stay focused on her long-term career goals.

Natasha says: 'Without my mentor, I wouldn't be on the right track, starting a new job, pursuing education and dream. She helped me so much to gain confidence and take the next steps. She really listened to me and made me feel less anxious about all the COVID stuff.'

Jeanita explains: 'To truly support a young person facing many challenges, there is no "quick fix". As in Natasha's case, often we have to compromise by setting 'short' and 'long' term goals however, ultimately, our mission is to ensure that those we work with have viable, secure, long-term careers – not simply a job. I am so proud to work for the Cardinal Hume Centre where we can see our clients on a journey without compromise. It makes all the difference to those we are here to help.'

Thank you LHA London for supporting the Cardinal Hume Centre to help young people like Natasha.

\*We have changed the client's name to protect their identity.



Z2K's vision is that no individual in the UK should be living in poverty. We believe adequate, secure income and housing are key to creating a more equal society, where everyone has the chance of a stable and dignified life. We offer Londoners with low-income – those most at risk of poverty, homelessness and destitution, support to overcome their social welfare and housing problems.

Funding from LHA allows us to support more individuals such as Abeo\*: Abeo is a 34-year-old former refugee who approached Z2K for advice on Universal Credit. But we quickly identified that he had several other needs – he had been a victim of torture and has extensive health problems as a result. We supported him with his homeless application and gave advice about his entitlement to benefits.

He was placed by the local authority in temporary accommodation during the COVID-19 pandemic, and we applied for a hardship fund to provide him with basics such as a kettle, microwave, and bedding. Unfortunately, in the temporary accommodation Abeo was a victim of harassment by another tenant. We helped Abeo address this with management within the council and supported him during the subsequent investigation. The other tenant was placed somewhere else.

Over the next couple of months, we supported him to take this forward with an investigation, providing emotional and practical support so that he was able to advocate for himself, and ultimately the council admitted that their processes had failed, including in giving him the support they should have after the incidents. We continued to work with Abeo until he was placed in permanent accommodation by the council. We supported with his housing benefit and accessed council tax reduction on his behalf, as well as applying for more grants to get him a washing machine and fridge freezer. Abeo is not alone in his experiences, and we continue to ensure these experiences shape our campaigns and policy work.

\*The name has been changed to protect the client's identity



Katrina was still living with an abusive partner but knew she wanted to leave. She referred herself to our outreach service for support around relocating and better understanding of domestic abuse.

She was experiencing regular physical abuse and complete isolation from her friends and family, and was desperate to move her son closer to her family and away from the abuser. First she tried several local council housing departments and a housing charity for advice, and then came to BCWA for specialist advice support in notifying housing about the abuse so that they would help her to move to safety. Katrina was also struggling with her mental health. Our outreach workers supported her into counselling and helped make a homelessness application to move to temporary accommodation – the first step to being rehoused. The next stage was for Katrina to gather enough evidence to support her case for relocation due to domestic abuse, which we were able to provide in the form of letters and professional testimony.

In the weeks that followed, with support, Katrina rose to the challenges in front of her; registering her son for a local nursery, accessing welfare grants to buy him new supplies, exercising and working on her temporary home.

Before Katrina was finally able to settle, another curveball came in the form of being asked to move to another temporary home at short notice which meant moving her son again. Fortunately, our outreach worker was able to negotiate extra time for the move and then support transition into her more permanent home. The team referred her for domestic abuse support and longer term counselling in her new local area. We are thrilled that her little family is now safe and thriving!





### Ruby's story

A young care leaver came into the service working as a barista in a service station but unfortunately, Ruby lost this position due to the pandemic. This hit her especially hard, causing her to feel hopeless and isolated. Ruby already had a long history of feeling abandoned due to being in care. Therefore, Evolve connected her with an in-house wellbeing therapist to help her address past traumas. They also worked with Croydon College to get her into a fast access course and back into education. She is now studying Digital Marketing and thriving. She hopes to secure an apprenticeship within a few weeks' time of writing this. She now feels like she has a plan and stated she 'feels supported to achieve whatever she wants to'.

### J.J.'s story

J.J. informed Evolve he had a passion for art. The work he showed them demonstrated he had a real talent. Although J.J. previously had displayed his artwork in Lambeth Art Gallery, he never attended the exhibitions due to his anxiety. Unfortunately, he was also suffering from severe depression before the first lockdown in 2020 and felt that his depression was taking over his life. To help break the downward spiral he was experiencing, he was linked with Massimo of the Wild Style Graffiti café. This enabled him to help lead two of the graffiti workshops. He is now following his passion by volunteering and getting back into formal learning in art college.

Photos from Evolve's Graffiti Workshop for young people. This workshop helped them to use creative expression as a vehicle for fostering community, personal values, and design skills. They believe these opportunities help to empower young people by giving them a voice while offering space to confirm their own beliefs. This, in turn,

becomes a stepping stone for a clearer direction in work and learning and to foster sustainable independence.



Refugees At Home ran a social media sequence called #LockdownLights which featured some of the host and guest pairings still happening through pandemic/lockdown. It also sought to bring cheer to an unusually depressing festive season.

Dr A is an asylum-seeking Syrian, who was in the grim Napier barracks near Folkestone, where conditions are very bad – particularly for anyone who experienced military action or war in their home country. He's here seeing the West End lights with his new host, Magda, just days after moving in with her.

Ibrahim is dressing his host's tree. He's still an asylum seeker, hosted for 18 months and pretty much part of Victoria and Pete's family.

Then there's D from El Salvador, another survivor of the Folkestone barracks and on the doorstep in Acton, West London, for a few weeks with a Spanish-speaking New Yorker and his family.

Left of him is the multicultural Canadian, Karina, with her two Syrian guests – B has stayed there for over three years while he has learned English and found work. Plus W, whose been hosted in Notting Hill for over a year. Note the Islamic crescent and star of David on top of the Christmas tree.

Finally, in the centre is Refugees at Home's co-founder Sara, her husband Malcolm and Egyptian refugee Mohammed lighting the Hanukkah candles. Moha teaches Koranic Arabic, wants to teach PE in an English school and works as a Starbucks barista. He knows it's time he moved on after 18 months as a guest. But finding affordable accommodation in London is so hard to do.





Thanks to LHA  
funding In 2021  
Women & Girls  
Network  
have...

**Provided crisis financial support to 35 young women & girls who had to flee their homes/accommodation due to violence and abuse**



**Supported 118 self-identifying young women, girls & non-binary YP experiencing VAWG via our web-chat**



**Co-created a network of specialist VAWG advocates, housing & public law solicitors—providing immediate access to housing legal advice and consultations for VAWG cases**



**The Housing Champion have provided crisis/emergency housing advocacy & support to 63 survivors, supporting them to access appropriate safe accommodation solutions**

William (32) presented to Spires as a rough sleeper in September 2021.

He was living in Brighton and had become heavily involved in the chem sex scene. He was injecting crystal meth and dealing, and came to London to get away from all his connections.

Spires completed an assessment and various referrals as he had complex needs. He is HIV positive, with the added health complications of the Kaposi sarcoma associated with this and is currently undergoing chemotherapy due to the additional complication of Kaposi sarcoma. Spires supported him across all of his issues – he was placed in Temporary Accommodation, registered with the HIV team at the Caldecott Centre and linked him with the DAAT team at Lorraine Hewitt House.



Spires have continued to support him with managing his addictions, health and benefits.

Sometimes this is only by a catch up or chat to keep him on track with his sobriety.

Lambeth Council disputed a local connection and William feared he would have to return to Brighton and all the things that he'd worked hard to stay away from.

Spires have challenged Lambeth, supported by William's consultants at the Caldecott centre.

He is doing well and we are now awaiting a response from Lambeth regarding the homeless duty. They have reassured him whatever the outcome he will be supported to challenge this if necessary.





Project 17 works to reduce homelessness and extreme poverty among families excluded from mainstream welfare by their

immigration status. LHA has supported their frontline advice and advocacy service for several years, enabling them to work directly with people in crisis and supporting them to access housing and financial support.

Their specialist work focuses on a limited form of support available from social services under section 17 of the Children Act 1989. Section 17 allows councils to support families with children in need. This can mean that they have a duty to provide housing and money to prevent children from facing destitution, even if their parents are excluded from mainstream services. Their clients face huge difficulties trying to access this support: local authorities are often unaware of their duties; are under financial pressure because of budget cuts; or sometimes foster a culture of disbelief, all leading to wrongful refusals of support. Funding from LHA enables them to work with families to approach local authorities for support and challenge refusals. They also work in partnership with immigration advice providers ensuring that people can regularise their immigration status and find longer term stability for themselves and their families. With help from LHA and other funders, they provide emergency destitution support in the form of emergency cash, grants and support in kind.



#### Case study:

Nike and her baby had been staying with her aunt, but the flat was crowded and her aunt could no longer support them. The baby had a heart condition and Nike was extremely worried about what would happen to them. They had nowhere else to go, and as Nike did not have leave to remain, she was unable to access homelessness support, even though her baby was a British citizen. She had been told that she could make an immigration application, but could not afford to pay for a lawyer. She was on a long waiting list for free advice.

When she approached Project 17, Nike and the baby were about to be made homeless. She had no money, and was struggling to survive on foodbank vouchers, often having to skip meals. Project 17 provided some emergency cash support and helped her ask social services for support under section 17 of the Children Act. The family was accommodated and given some financial support. Their room was in a shared house. It was very small and there was no room for a cot. It was at the top of a tall building, and Nike was unable to lift the buggy up the stairs. With further advocacy, the family was moved to more suitable accommodation. They are still waiting for immigration advice.



**Beam gives homeless people a new support network, ranging from caseworkers to people who fund their campaigns.**

**Beam believes when people, charities, government and companies work together, millions of homeless people can benefit.**

#### Meet Agnes

One person to benefit from the LHA's funding was 25-year-old Agnes. Agnes initially had housing issues after her mum fell behind on rent and they were evicted from the property they shared. Agnes had no choice but to sofa surf with friends, as she didn't have a stable job to support with a rental deposit. With support from LHA and other donors, Agnes raised £3,022 through Beam's platform. This went towards a rental deposit, the first month's rent, a laptop and other essentials. In March 2021, she moved into a private rented property and is no longer homeless. The funding also paid for a Level 3 safeguarding course, enabling Agnes to start a new job as a support worker in January 2022.

#### Meet Julieta

Another person who has benefitted from the LHA's partnership with Beam is 35-year-old single mum of five, Julieta. When she was referred to Beam in February 2021, she was living in a cramped two-bedroom flat with her kids. She previously had a job as a cleaner, but the pandemic made it difficult to find clients and she had to home-school her children during the lockdown. Beam helped Julieta raise £7,106 to pay for a rental deposit, the first month's rent, a moving fan and homeware essentials. The funding also contributed towards care training, a laptop and work attire for a new job. Beam then supported Julieta's move into a five-bedroom house in June 2021 and helped her find a job as a carer with one of Beam's employer partners.



**Julieta and her young family benefitted from Beam's support**





**New Horizon is a vital support network for 16-24 year-olds with nowhere else to go. There are many reasons why thousands of young people across the capital find themselves homeless or needing help, whether due to family breakdown, domestic abuse, poverty, experiences of violence, or war and persecution in their home country. For as long as young people are homeless and underserved in London, New Horizon will be on a mission to give them a potential home.**

**The day centre is a one-stop shop, offering activities and services to improve the wellbeing and circumstances of young people in need. It is available in person, over the telephone or online. Help is offered with accommodation, employment, education and training, personal development, health and wellbeing and prison and outreach.**

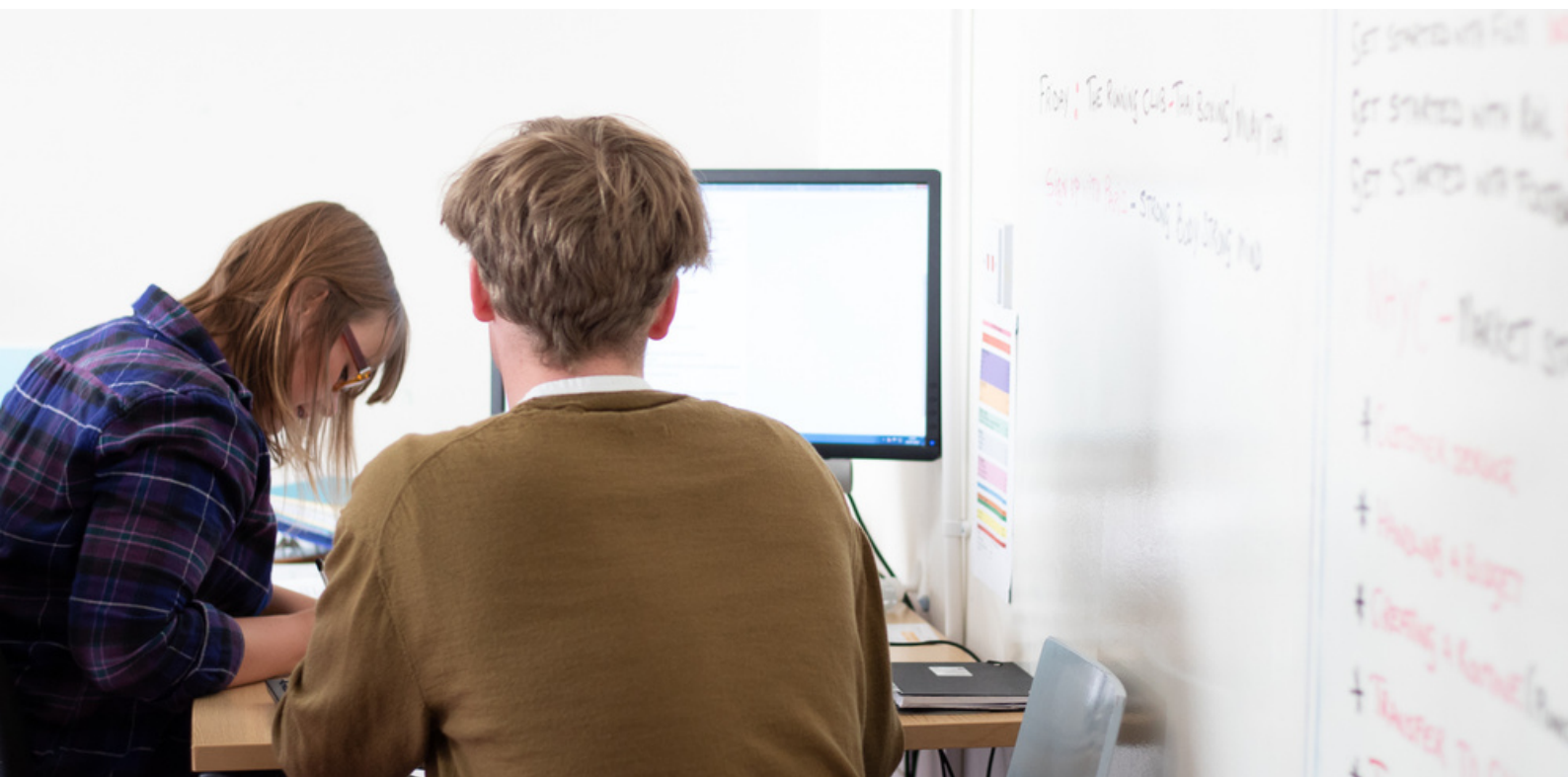
### **Brett's Story**

Brett went to New Horizon as an 18 year old after experiencing issues within his immediate family and overcrowding with his extended family. Brett was very young and had not had any role models or help from family or peers to show him how to pay bills or learn basic life skills.

For this reason, our Advice Team felt he would be a good fit for a New Horizon Accommodation Project. After an assessment he was placed in a semi-supported accommodation project, a shared house where young people receive floating support from a Housing Support Worker. Brett did well in this environment: he made friends with other residents, contributed to the cleaning rota and accessed counselling through New Horizon's wrap-around services to work through some of his residual feelings towards his family. He also completed a security guard training course with funds from New Horizon.

Brett applied for university as he had completed a BTEC whilst living in the home, and the Housing Support Worker assisted him to find and accessing a room in a Private Rental Scheme (PRS), with one of the landlord partners we have. Brett received a loan for his deposit and one month's rent in advance from funds New Horizon received from LandAid.

Brett has been living in this shared accommodation for six-months now, he has made friends with his house mates, is happily enjoying studying engineering at a university nearby and works as a security guard for popular nightclubs in central London on his weekends. Brett no longer receives benefits. He is self-reliant and independent and has been paying off his loan on time without any reminders.



# 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 30 September 2021 and the Statement of Financial Activities for the year ending on that date, which were approved by the Board of Trustees on 22 February 2022. 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 page 6 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 2020/2021, 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 £1,636,270 (2020; £4,222,719) which is approximately £690,000 over budget due to the improved occupancy and re-purposed sites during the year.

There was a spend of approximately £666,168 (2020; £561,775) on repairs and maintenance.

Donations of £383,833 (2020; £336,953) 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 £24,523,411 (2020; £16,239,921). During the year, £4,000,000 cash was moved into the Barclays investment portfolio.

The investment policy remained unchanged during the year, having 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, keeping it 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 the purposes of their investment approach and has accepted a degree of risk to their capital. The charity is able to tolerate volatility in 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, or 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

The refurbishment at Halpin House was completed with a spend of approximately £514,000 during the year. The cladding safety remedial works at Newington Court was started with a spend of approximately £75,000. This will be completed in the 2021/22 financial year. The planning phase for development for Hounslow was completed in the financial year at a cost of £160,000. The detailed design and tender stage were commenced with a cost of £346,820. This would be completed around January 2022. The development of extra rooms on the roof of Friendship House, is at the technical due diligence stage. The sum of £38,000 was expended during the year. This would be continued in the next financial year.

Some additional amounts were approved by the Board during the year, which included lift refurbishments, kitchen canopy upgrades and water heaters installations.

## 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 £3,377,609 compared with the previous year's surplus of £3,820,250. 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 £2,638,599 and a gain of £1,391,000 respectively compared to the 2020 gains of £823,531 and loss of £1,226,000. In 2021 there was also an evaluation of the LHA properties resulting in a loss of £2,228,260. This had been brought forward a year to enable the Trustees to view the impact of the pandemic on-site valuations.

## Reserves

At the 30 September 2021, Charitable Funds stood at £27,358,866 and Designated Funds at £240,410,924. Within Designated Funds there is a fixed asset reserve of £240,410,924 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 £10,911,000 as at 30 September 2021, compared to £10,016,000 in year 2020. The reserves in the profit and loss account of LHA Services Ltd, the subsidiary company, were £211,674 as at 30 September 2021 compared to £170,744 in 2020.

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 the 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, the commitments, our pension schemes and any management of financial risk involved. LHA's target reserve level is set at six-months working capital which currently stands at approximately £1.4m. Our current reserve levels are higher than this as we are about to start two major projects and have a high capital expenditure in 2021/22. It, therefore, seems appropriate to hold larger cash balances. The level of free reserves currently stands at £2,827,881.

## Risk Management

The Trustees actively review the major risks that 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 December 2021. 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 FAR Committee 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

The following actions have been taken to mitigate these risks:

1. COVID-19

LHA 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.

## LHA update related to the 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 during 2020/21. However signs of recovery towards the end of the financial year started to show. The month of September showed occupancy levels increase to 75% (they had been around 50% during the year) with an increase of some £300,000 on the September budget. The first quarter of the new financial year has continued to improve and the 2020/21 forecasted income is now only showing a £1.3m difference to pre-pandemic levels of income.

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 continued to implement precautionary measures and protocols based on recommendations from official health authorities.

# Trustees' Review and Strategic Report

## LHA Services Limited for 2020/21

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.

There has been a suspension of the rental and management fees as a result of the pandemic. This will be reviewed in 2021/22 if there is a material increase in short term bookings. LHAS has a taxable trading surplus and, in accordance with the covenant signed on 1st October 1997, an amount of £50,055 is to be transferred to the charity in 2021/22.

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 judgements 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, which 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, and, 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 the 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  
22nd February 2022

## **Opinion**

We have audited the financial statements of LHA London Limited ('the parent charity') and its subsidiary ('the group') for the year ended 30 September 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheets, the Consolidated Statement of Cash Flows 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's and the parent charity's affairs as at 30 September 2021 and of the group's 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## **Other information**

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

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 course of 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 Report of the Trustees 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 Report of the Trustees 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 Report of the Trustees.

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 specified 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 43, the trustees (who are also the directors of the parent charity 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 group's and the parent 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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws

and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and the Charities Statement of Recommended Practice.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to use of restricted funds, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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](http://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.

Signed:

  
Nicola Wakefield (Mar 9, 2022 14:14 GMT)

**Nicola Wakefield (Senior Statutory Auditor)**

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

2<sup>nd</sup> Floor, 6 Sutton Plaza, Sutton Court Road, Sutton, SM1 4FS

Date: 9 March 2022

**LHA London Limited**  
**Financial statements for the year ended 30 September 2021**  
**Consolidated statement of financial activities**

	Notes	General Funds £	Designated Funds £	Total 2021 £	Total 2020 £
<b>Income</b>					
<b><i>Income from charitable activities:</i></b>					
Operation of hostels		8,689,201	-	8,689,201	11,031,293
<b><i>Income from other trading activities</i></b>	4	62,773	-	62,773	249,728
<b><i>Income from investments</i></b>		299,157	-	299,157	221,633
<b>Total income</b>		<b>9,051,131</b>	<b>-</b>	<b>9,051,131</b>	<b>11,502,654</b>
<b>Expenditure</b>					
<b><i>Raising funds:</i></b>					
Commercial trading operations		12,736	-	12,736	54,689
Investment management fees		106,634	-	106,634	53,690
<b><i>Charitable activities:</i></b>					
Operation of hostels	5	7,190,491	-	7,190,491	7,171,556
<b>Total expenditure</b>		<b>7,309,861</b>	<b>-</b>	<b>7,309,861</b>	<b>7,279,935</b>
<b>Net income before transfers</b>		<b>1,741,270</b>	<b>-</b>	<b>1,741,270</b>	<b>4,222,719</b>
Gross transfers between funds		(559,743)	559,743	-	-
<b>Net income after transfers</b>		<b>1,181,527</b>	<b>559,743</b>	<b>1,741,270</b>	<b>4,222,719</b>
Revaluation of property	10	-	(2,288,260)	(2,288,260)	-
Gains on investment assets	11	2,638,599	-	2,638,599	823,531
<b>Net income/(expenditure) before actuarial movements</b>		<b>3,820,126</b>	<b>(1,728,517)</b>	<b>2,091,609</b>	<b>5,046,250</b>
Actuarial gain/(loss) on pension scheme	15	1,286,000	-	1,286,000	(1,226,000)
<b>Net movement in funds</b>		<b>5,106,126</b>	<b>(1,728,517)</b>	<b>3,377,609</b>	<b>3,820,250</b>
Fund balances brought forward at 1 October 2020		22,252,740	242,139,441	264,392,181	260,571,931
Fund balances carried forward at 30 September 2021		<b>27,358,866</b>	<b>240,410,924</b>	<b>267,769,790</b>	<b>264,392,181</b>

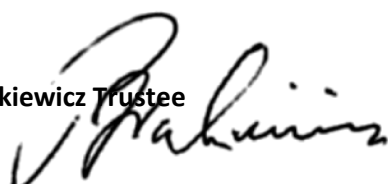
All amounts relate to continuing activities; there were no recognised gains or losses other than those included above.

**LHA London Limited**  
**Financial statements for the year ended 30 September 2021**  
**Balance sheets**

		----- Group -----		----- Charity -----	
	Notes	2021	2020	2021	2020
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	9	7,574	12,119	7,574	12,119
Tangible assets	10	240,410,924	242,139,441	240,410,924	242,139,441
Investments	11	24,523,411	16,239,921	24,673,411	16,389,921
		<u>264,941,909</u>	<u>258,391,481</u>	<u>265,091,909</u>	<u>258,541,481</u>
<b>Current assets</b>					
Stocks	12	9,830	10,849	9,830	10,849
Debtors	13	838,665	550,196	838,665	549,979
Cash at bank and in hand		4,099,048	8,260,262	3,892,649	8,087,984
		<u>4,947,543</u>	<u>8,821,307</u>	<u>4,741,144</u>	<u>8,648,812</u>
<b>Creditors: amounts falling due within one year</b>	14	(2,077,662)	(1,529,607)	(2,082,937)	(1,527,856)
<b>Net current assets</b>		<u>2,869,881</u>	<u>7,291,700</u>	<u>2,658,207</u>	<u>7,120,956</u>
<b>Total assets less current liabilities</b>		<u>267,811,790</u>	<u>265,683,181</u>	<u>267,750,116</u>	<u>265,662,437</u>
<b>Pension (liability)</b>	15	(42,000)	(1,291,000)	(42,000)	(1,291,000)
<b>Net assets</b>		<u>267,769,790</u>	<u>264,392,181</u>	<u>267,708,116</u>	<u>264,371,437</u>
<b>The funds of the charity</b>					
Unrestricted funds:					
General		27,358,866	22,252,740	27,297,192	22,231,996
Designated	16	240,410,924	242,139,441	240,410,924	242,139,441
	17	<u>267,769,790</u>	<u>264,392,181</u>	<u>267,708,116</u>	<u>264,371,437</u>

The financial statements were approved by the Trustees on 22nd February 2022 and signed on their behalf by:

P. Frackiewicz Trustee



D Conroy Trustee



Date: 22nd February 2022



**LHA London Limited**  
**Financial statements for the year ended 30 September 2021**  
**Consolidated Statement of Cash Flows**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Reconciliation of net income to net cash inflow from operating activities</b>		
Net income for the year	3,377,609	3,820,250
Depreciation charges	794,756	738,919
Amortisation charge	4,545	4,545
(Gain)/loss on disposal of fixed assets	(2,598)	771
Loss on revaluation of fixed assets	2,288,260	-
(Gain) on investment assets	(2,638,599)	(823,531)
Decrease in stocks	1,019	1,937
(Increase)/decrease in debtors	(288,469)	60,679
Increase/(decrease) in creditors	548,055	(508,268)
(Decrease)/increase in pension liability	(1,249,000)	1,239,000
<b>Net cash generated from operating activities</b>	<u>2,835,578</u>	<u>4,534,302</u>
<b>Investing activities</b>		
Purchase of tangible fixed assets	(1,351,902)	(6,031,335)
Proceeds on disposal of property, plant and equipment	-	-
Purchase of investments	(16,586,460)	(16,239,920)
Proceeds from sale of investments	10,941,570	2,164,882
<b>Net cash (used in) investing activities</b>	(6,996,792)	(20,106,373)
<b>Net cash (outflow)</b>	<u>(4,161,214)</u>	<u>(15,572,071)</u>
<b>(Decrease) in cash in the period</b>	(4,161,214)	(15,572,071)
<b>Cash and cash equivalents at 1 October 2020</b>	<u>8,260,262</u>	<u>23,832,333</u>
<b>Cash and cash equivalents at 30 September 2021</b>	<u>4,099,048</u>	<u>8,260,262</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 3 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 September 2021. 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 charitable 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:

	2021 £	2020 £
<b>Total income</b>	8,997,465	11,711,022
Total expenditure on charitable activities	(7,190,491)	(7,171,556)
Investment managers' fees	(106,634)	(53,690)
Investment gains	2,638,599	823,531
Revaluation of property	(2,288,260)	-
Actuarial gain/(loss) on final salary pension scheme	1,286,000	(1,226,000)
<b>Net income</b>	3,336,679	4,083,307
Total funds brought forward	264,371,437	260,288,130
<b>Total funds carried forward</b>	267,708,116	264,371,437
<b>Represented by:</b>		
General funds	27,297,192	22,231,996
Designated funds	240,410,924	242,139,441
	267,708,116	264,371,437



#### **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.

<b>Profit and Loss Account</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Turnover	62,773	249,728
Cost of sales and administrative expenses	(12,736)	(144,689)
Gross profit	50,037	105,039
Interest receivable	18	189
Net profit	50,055	105,228
Amount distributed to LHA London Ltd	(9,125)	(368,285)
<b>Retained profit/(loss) in subsidiary</b>	<b>40,930</b>	<b>(263,057)</b>

The assets and liabilities of the subsidiary were:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Current assets	221,198	177,264
Creditors: amounts falling due within one year	(9,524)	(6,520)
Total net assets	211,674	170,744
Aggregate share capital and reserves	211,674	170,744

Included in administrative expenses are rent of £nil (2020 - £24,000) and management charges of £nil (2020 - £66,000) payable to LHA London Ltd and these charges have been eliminated on consolidation.

## **5 Analysis of charitable expenditure**

	<b>Staff costs (note 8) £</b>	<b>Other £</b>	<b>Depreciation (notes 9&amp;10) £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
<b>Charitable expenditure</b>					
House operating costs	1,628,593	2,694,172	764,535	5,357,300	5,369,509
Support costs	1,009,895	367,074	34,766	1,411,735	1,437,451
Governance costs (note 6)	-	37,623	-	37,623	27,643
Donations (note 7)	-	383,833	-	383,833	336,953
<b>Total</b>	<b>2,638,488</b>	<b>3,752,702</b>	<b>799,301</b>	<b>7,190,491</b>	<b>7,171,556</b>

<b>Charitable expenditure</b>	<b>House operating costs £</b>	<b>Support costs £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
<b>Details of other costs</b>				
Repairs & Maintenance	653,675	12,493	666,168	561,775
Light and heat	556,850	-	556,850	563,065
Catering	124,545	-	124,545	208,519
IT costs	129,688	48,646	178,334	209,872
Water	210,582	-	210,582	240,948
Cleaning	338,494	768	339,262	281,167
Insurance	196,511	-	196,511	190,122
Security	182,195	-	182,195	198,282
Rates	48,297	48,290	96,587	187,841
TV Licenses	8,146	-	8,146	14,560
Defined benefit pension scheme charge	49,921	40,845	90,766	117,705
Other costs	465,268	216,032	681,300	239,300
	<b>2,964,172</b>	<b>367,074</b>	<b>3,331,246</b>	<b>3,013,156</b>
Governance costs (note 6)			37,623	27,643
Donations (note 7)			383,833	336,953
Total other costs			<b>3,752,702</b>	<b>3,377,752</b>

## **6 Governance costs**

<b>Governance costs include:</b>	<b>2021 £</b>	<b>2020 £</b>
Audit fees	21,045	16,391
Insurance against Trustees' and Officers' liabilities	16,578	10,315
Trustees expenses	-	937
	<b>37,623</b>	<b>27,643</b>

## **7 Donations**

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Albert Kennedy Trust	28,000	38,750
New Horizons	30,000	30,000
Glass Door	20,000	35,000
C4WS	30,000	27,500
The Spires Centre	30,000	37,500
CAYSH	-	28,000
St Mary Le Bow	14,000	18,453
204 Project	-	20,000
Evolve	25,000	10,000
Zacchaeus 2k Trust	38,333	26,250
Project Seventeen	20,000	12,500
Women & Girls Network	25,500	33,000
Refugees at Home	16,000	20,000
BEAM	29,000	-
Cardinal Hume	28,000	-
Bromley & Croydon Women's Aid	20,000	-
Single Homeless Project	20,000	-
Whitechapel Mission	10,000	-
	<b>383,833</b>	<b>336,953</b>

## **8 Staff costs**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,130,860	2,233,388
Redundancy costs	-	107,226
Social security costs	195,935	195,628
Other pension costs	311,693	312,924
	<b>2,638,488</b>	<b>2,849,166</b>

### **Average number of employees during the year**

Head office staff	16	15
Direct maintenance staff	5	7
Hostel staff	51	52
	<b>72</b>	<b>74</b>

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

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

2 employees (2020: 1) with emoluments in excess of £60,000 are accruing retirement benefits under defined benefit schemes which amount to a total of £10,347 (2020: £3,265).

The total of employee benefits received by Key Management Personnel in 2021 is £383,670 (2020: £371,918). Key Management Personnel are the Chief Executive Officer, Finance Director and Operations Manager.

## **9 Intangible fixed assets – Group & Charity**

	<b>Website</b>
<b>Cost</b>	
At 1 October 2020	22,723
Additions	-
Disposals	-
At 30 September 2021	<u>22,723</u>
<b>Amortisation</b>	
At 1 October 2020	10,604
Charge for the year	4,545
Released on disposal	-
At 30 September 2021	<u>15,149</u>
<b>Net book value</b>	
<b>At 30 September 2021</b>	<u><b>7,574</b></u>
At 30 September 2020	<u>12,119</u>



## 10 Tangible fixed assets – Group and Charity

	Freehold land and buildings £	Leasehold land and buildings £	Property improvements £	Plant and machinery £	Total £
<b>Cost</b>					
At 1 October 2020	226,514,012	10,873,534	14,153,325	1,320,555	252,861,426
Additions	-	-	1,348,473	3,429	1,351,902
Disposals	-	(70,495)	(25,229)	(1,912)	(97,636)
Revaluation	(1,197,802)	(1,090,458)	-	-	(2,288,260)
At 30 September 2021	225,316,210	9,712,581	15,476,569	1,322,072	251,827,432
<b>Depreciation</b>					
At 1 October 2020	-	63,019	9,665,627	993,339	10,721,985
Charge for the year	-	10,503	707,995	76,258	794,756
On disposals	-	(73,522)	(25,229)	(1,482)	(100,233)
At 30 September 2021	-	-	10,348,393	1,068,115	11,416,508
<b>Net book value</b>					
At 30 September 2021	225,316,210	9,712,581	5,128,176	253,957	240,410,924
At 30 September 2020	226,514,012	10,810,515	4,487,698	327,216	242,139,441

The Trustees undertook a valuation of all the freehold and long leasehold properties in September 2021. The valuation was undertaken by Colliers CRE and the properties were valued at £239,300,000 (this includes freehold property, leasehold properties and property improvements above).

Property improvements include £856,967 (2020: £287,670) of assets under construction.

## 10 Tangible fixed assets – Group and Charity (continued)

Analysis of leasehold land and buildings (charity and group)	2021 £	2020 £
Long leasehold	9,600,000	10,800,000
Short leasehold	-	10,505
	<u>9,600,000</u>	<u>10,810,505</u>

11 Investments	Investments in subsidiary undertakings £	Other investments £	Total £
<b>Market value</b>			
At 1 October 2020	150,000	16,239,921	16,389,921
Additions	-	16,586,460	16,586,460
Disposals	-	(10,941,570)	(10,941,570)
Net gains for the year	-	2,638,599	2,638,599
At 30 September 2021	<u>150,000</u>	<u>24,523,411</u>	<u>24,673,411</u>
Historic cost at 30 September 2021	<u>150,000</u>	<u>20,939,518</u>	<u>21,089,518</u>
Other investments comprise:			
Bonds		3,263,173	
Equities		19,022,680	
Commodities		345,718	
Real Estate		457,999	
Other investments		1,125,687	
Cash for re-investment		308,154	
		<u>24,523,411</u>	

At 30 September 2021 there were no investments which represented more than 5% of the quoted investments portfolio by market value.

12 Stocks	----- Group -----		----- Charity -----	
	2021	2020	2021	2020
	£	£	£	£
Household equipment and food	9,830	10,849	9,830	10,849

**LHA London Limited**  
**Financial statements for the year ended 30 September 2021**  
**Notes to the financial statements**

13 Debtors	----- Group -----		----- Charity -----	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	223,947	35,205	223,947	35,205
Other debtors	6,189	85,493	6,189	85,493
VAT recoverable	136,631	148,228	136,631	148,228
Prepayments and accrued income	471,898	281,270	471,898	281,053
	<u>838,665</u>	<u>550,196</u>	<u>838,665</u>	<u>549,979</u>

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

	----- Group -----		----- Charity -----	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	722,940	503,980	722,940	503,980
Other taxes and social security costs	47,185	55,004	47,185	55,004
Amounts owed to group companies	-	-	14,799	4,769
Fees and deposits in advance	830,356	553,714	828,531	552,667
Accruals	477,181	416,909	469,482	411,436
	<u>2,077,662</u>	<u>1,529,607</u>	<u>2,082,937</u>	<u>1,527,856</u>

**15 Pension commitments**

The charity makes contributions to a defined contribution pension scheme on behalf of a number of employees who are not included within the defined benefit pension scheme. Contributions in the year totalled £116,121 (2020: £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 2021 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 1<sup>st</sup> April 2018.

**Present values of scheme liabilities, fair value of assets and deficit**

	At 30/9/21	At 30/9/20	At 30/9/19
	£'000	£'000	£'000
Fair value of scheme assets	10,911	10,016	10,244
Present value of scheme liabilities	<u>(10,953)</u>	<u>(11,307)</u>	<u>(10,296)</u>
(Deficit) recognised in scheme	<u>(42)</u>	<u>(1,291)</u>	<u>(52)</u>

## **15 Pension commitments (continued)**

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

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Scheme liabilities at start of period	11,307	10,396
Current service cost	123	152
Interest cost	180	195
Actuarial (gains)/losses	(806)	830
Experienced losses on liabilities	217	-
Benefits paid & death in service insurance premiums	(68)	(266)
Scheme liabilities at end of period	10,953	11,307

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

Fair value of scheme assets at start of period	10,016	10,344
Interest on assets	161	281
Expected return on scheme assets	697	301
Contributions by employer	105	186
Benefits paid	(68)	(23)
Fair value of scheme assets at end of period	10,911	10,016

The actual return on the scheme assets over the year ending 30 September 2021 was £858,000 (2020: £201,000).

### **Total expense recognised in the statement of financial activities**

Current service cost	123	152
Interest cost	180	195
Expected return on scheme assets	(161)	(195)
Total expense recognised in the statement of financial activities	142	152

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 £1,749,000 (2020: £3,140,000).



**15 Pension commitments (continued)**

<b>Assets</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Total assets	10,911	10,016	10,244

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:

	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>% per annum</b>	<b>% per annum</b>	<b>% per annum</b>
Rate of discount	2.05	1.60	1.90
Inflation (RPI)	3.45	2.90	3.15
Inflation (CPI)	2.85	2.10	2.15
Salary increases	2.85	2.10	2.15
Pension increases			
Accrued before 1 July 2016	5.00	5.00	5.00
Accrued after 1 July 2016	2.85	2.10	2.15
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 (2020: 2.4%).

## 15 Pension commitments (continued)

### Amounts for the current and previous four periods

	2021	2020	2019	2018	2017
	£'000	£'000	£'000	£'000	£'000
Fair value of assets	10,911	10,016	10,244	9,599	9,307
Present value of scheme liabilities	(10,953)	(11,307)	(10,296)	(7,759)	(8,105)
(Deficit)/surplus in scheme	(42)	(1,291)	(52)	1,840	1,202
Experience adjustment on scheme assets	-	(396)	301	(3)	189
Experience adjustment on scheme liabilities	(217)	-	-	(144)	(979)

## 16 Designated funds

	Balance at 1 October 2020	Transfers	Revaluation	Balance at 30 September 2021
	£	£	£	£
Fixed asset reserve	242,139,441	559,743	(2,288,260)	240,410,924
	242,139,441	559,743	(2,288,260)	240,410,924

## 17 Analysis of group net assets between funds

	General Funds £	Designated Funds £	Total Funds £
Intangible fixed assets	7,574	-	7,574
Tangible fixed assets	-	240,410,924	240,410,924
Investments	24,523,411	-	24,523,411
Cash at bank and in hand	4,099,048	-	4,099,048
Other net current liabilities	(1,229,167)	-	(1,229,167)
Pension deficit	(42,000)	-	(42,000)
	27,358,866	240,410,924	267,769,790

## **18 Operating lease commitments**

At 30 September 2021 the group's commitments under non-cancellable operating leases were as follows:

	<b>Land &amp; Buildings</b>	
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Less than 1 year	360	27,881
Between 2 and 5 years	1,440	1,440
After more than 5 years	27,093	27,453
	<hr/>	<hr/>
Total	28,893	56,774

At 30 September 2021, the group's capital commitments related to the Hounslow site and Friendship House amounted to £363,433 (2020: £nil).

## **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 £nil (2020: £937) were reimbursed to no (2020: 6) Trustees during the year.

Included in administrative expenses are rent of £nil (2020 - £24,000) and management charges of £nil (2020 - £66,000) payable to LHA London Ltd by LHA Services Limited. The previous year's charges were eliminated on consolidation.


# LHA Annual Report & Accounts - optimised

Final Audit Report


2022-03-09

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