



LhaLondon

the heart of London Living

2021
2022

Annual Report

Proud of Our Social Impact

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Chair's Statement



The current cost-of-living crisis has again brought into focus how challenging life is for people on low incomes, which makes our commitment to be a leading provider of secure, low-cost accommodation in London even more crucial. All of this has made the last year a very challenging one and has meant we have had to balance coping with significantly increased costs while maintaining resident fees at a reasonable and affordable level. We have continued to focus on increasing and demonstrating our social impact and are pleased with the progress we have made.

As part of this initiative, we have continued our partnerships with a number of charities, with direct grant funding for some through the LHA Fund and allocation of some of our accommodation to others. In the summer, we held a very successful round table conference with all these organisations to establish even closer links and to increase our understanding of their needs. During the coming year, we are committed to reviewing the LHA Fund and to plotting its future development and enhancement. You will find elsewhere in this report a summary of our social impact during the year.

We have also this year adopted a long-term focus for our property acquisition programme and the financial strategy needed to deliver it. I am confident that this approach will make our planned growth in bed numbers highly achievable.

During the year, a number of our trustees have left us following the completion of their tenure, and we are grateful to them for all their hard work and commitment. Also, this year we have strengthened our leadership group by creating two new roles – a newly established Director of Estates role and an enhanced role at Director level to head our Operations Department. These appointments join our Chief Executive and Finance Director in a new Executive Team. With the full Executive Team all now attending Board meetings and each Director attending their relevant committees, I believe we will forge an even better partnership between trustees and executives.

David Conroy
Chair of the Board of Trustees

OUR VISION

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

OUR MISSION

In order to achieve our vision, we will expand our offering with a mission to acquire, develop, maintain and manage secure, low-cost hostel accommodation.

OUR CHARITABLE OBJECTIVE

To help relieve poverty by acquiring, establishing, maintaining and managing hostels that provide low-cost living accommodation for both students and working people of limited means who either study or work in the UK or Northern Ireland. We also aim to further any charitable purpose recognised by English law by the provision of housing.

OUR BRAND VALUES

Freedom



We offer young people the ultimate flexibility. We want them to have the freedom to choose exactly how they want to live by making things it as easy as we can.

We have the best locations in the heart of London – ideal for work, study, or just exploration.

We offer a range of room types, facilities, and catering options to suit all needs and all budgets. Everything is included from bills and council tax to cleaning and WIFI.

Connecting People with Places



Our knowledge, expertise and experience help us to connect. We connect young people to work and their place of study. We connect young people to the very heart of London and all the wonderful experiences it has to offer.

We help bring people together in communities to enable them to make new connections with people and friendships that last a lifetime.

Safety



Whether it's a young person's first time away from home or they're well-traveled, safety matters. We have staff and security on site 24/7. Our entrances are secure, and we provide safe places for belongings.

We also provide contents insurance as standard.

We genuinely care about the people who come to stay with us.

A Home Away from Home



We have a warm friendly family of 'awesome' multilingual staff who take the time to get to know our residents. They talk people's languages, making them feel at home.

We strive to create an environment that feels familiar, like home. Our residents tell us that living here is the closest thing to home. Our staff have walked in our residents' shoes.

They are there to offer young people support and advice, to reassure them and make them feel at home.

Affordability



As a charity, we aim to make our accommodation accessible to all. Prices start from as little as £90 per week and there are options for catered accommodation too, providing two meals a day. Some of our sites also include a gym that residents can use for free.

All of our rooms are fully inclusive of utilities, internet access, personal belongings insurance, and all benefit from 24-hour security.



Our Governance

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.



Bonnie Chiu
BBA, MSc

Award-winning social entrepreneur, gender equality advocate and social impact consultant. Recognised as a Forbes 30 Under 30, she is also a senior contributor to Forbes writing on gender and diversity.



Peter Frackiewicz
BSc FRICS

Extensive built environment experience as Projects Director at Land Securities PLC. Now retired but serves as Non-Executive Director in other organisations.



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.



Susan 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.



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.



Gareth Moody
BA (Hons), PGDipSurv, MRICS
Appointed 29.03.2022

Chartered Surveyor and Managing Director of Tila Commercial, specialising in Property Management, Facilities Management, Asset Management, Building Consultancy. Previously held roles with CBRE and Knight Frank in Central London.



Adam Poole
Appointed 29.03.2022

Chartered Surveyor and investment director at British Land. Graduate of Newcastle University and the University of Reading.



Harkamaljeet Sandhu Shinger
BA (Hons), MA, PGDIP
Appointed 29.03.2022

Housing professional with 30 years of experience in local government and the social housing sector. Particular focus on equality, diversity, inclusion, specialising in strategy, policy and business planning.



Helen Wyeth
MEng, CA
Appointed 27.09.2022

Chartered Accountant, currently working at British Land as Head of Finance for their Campus Joint Ventures. Previously held various roles at British Land and PwC.



David Sawyer
Appointed 27.09.2022

Member of the Institute of Chartered Accountants in England and Wales currently working as Chief Accountant at Metro Bank. Graduate of the London School of Economics



Toyin Miller
BA (Hons)
Retired 14.12.2022

Social investment professional with experience in support of the Third Sector, focusing on innovative investment and finance to enable charities to deliver and grow their social impact.



Alec McTavish
MSc (Econ), BSc (Econ), FRSA
Retired 14.02.2023

Worked as an Economic Adviser in various Government Departments. At rail privatisation, was appointed a Director at the Association of Train Operating Companies.



Kay Buxton
BA (Hons), BTP, MRTPI
Retired 24.03.2022

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



Annalise Jalland
BSc (Hons), MSc, MRICS
Retired 26.03.2022

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.



Giles Byford
MA (Hons), M.Sci, ACA
Retired 28.06.2022

Chartered accountant currently working as Strategy Group Director for BGL. Previously held various roles at RBS, Barclays and PwC.

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. While 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 bilateral 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.



Our Committee Structure

LHA London Ltd

Registered Charity No. 169428

Company Registration No. 363816

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

Finance, Audit & Risk Committee

Peter Frackiewicz Chair
David Conroy
Alexandra Whiston-Dew
Helen Wyeth Appointed 27.09.2022
David Sawyer Appointed 27.09.2022
Giles Byford Retired 28.06.22
Toyin Miller Retired 04.12.22

Property Oversight and Projects Committee

Sue Johnson Chair
Peter Frackiewicz
Gareth Moody Appointed 29.03.2022
Adam Poole Appointed 29.03.2022
Annalise Jalland Retired 26.03.22
Kay Buxton Retired 24.03.22

People Committee

Ali Mohammed Chair
David Conroy
Alexandra Whiston-Dew
Alec McTavish Retired 14.02.2023

Social Policy Committee

Petra Green Chair
Bonnie Chiu
Harkamaljeet Sandhu Shinger Appointed 29.03.2022
Toyin Miller Retired 04.12.22
Alec McTavish Retired 14.02.2023

LHA Services Limited

Tony Perkins, FRSA
Chief Executive & Company Secretary
Marsha Gair, FCCA Finance Director
Alexandra Whiston-Dew Chair
David Conroy
Alec McTavish Retired 14.02.2023

LHA Services Ltd

Company Registration No. 3424128

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

Our Management Team

Our management team provides 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 sets senior management remuneration by reference to market benchmarking.

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

From left: Ben Atwell - Director of Operations, Tony Perkins - CEO, Marsha Gair FCCA - Finance Director, Andy Gatrell - Director of Estates



Our Equality, Diversity and Inclusion Statement and Strategy

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 2022, we continued to increase the provision of EDI.

Diversity and inclusion start at the top of our organisation. EDI is embedded in the Charity Governance Code. LHA has set dedicated training for Board members and staff in 2023. We will agree on a work plan for 2023 with clear goals and timescales. The Board and Executive Management team will develop viable plans for the future. During 2022, we continued our EDI training programme. LHA has made a significant social impact through the provision of accommodation, the volunteer scheme and the LHA Fund. Because 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 will continue to train our staff on EDI to create a dynamic, inclusive culture.



This plan will continue 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.

In 2022, we have developed 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 among our workforce and ensure 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 provide 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.



Progress with
Our Plans

Strategic Plan - Our Aims and Objectives

LHA's strategic objectives and vision are 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 February 2023 to consider implementing a revised five-year plan and reassess the strategic growth plan. The outputs of the Strategy Day will also aim to include reviewing of the existing property portfolio, introducing a mechanism for measuring and improving of social impact and reviewing the housing needs for London and the needs of young people of limited means. The global pandemic, Brexit's effect on accommodation needs and work/life balance changes will be closely assessed to ensure LHA's future offer in London is fit for purpose.

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

The minimum standards will be defined by research carried out by the Social Policy Committee – a committee of the main Board. This year's Social Impact section within this 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.

The Social Policy Committee, chaired by Ms Petra Green, continued to monitor the affordability of our offer, and this year's report provides an overview of the extensive hostel re-purposing initiative in place to provide much-needed accommodation to vulnerable young people. The LHA Fund has provided support to many charities over the years, and this year's round-table event formed the basis to reassess the direction and purpose of the Fund for 2023-24.

The year's objectives focused on full recovery from pandemic. Our occupancy has recovered fully, and our volunteer programme is well supported with high enquiries to join the scheme.

The Central Office Team moved into its new office location to enable a hybrid working environment and to support our hostel operation.

Our land acquisition programme is now spear-headed by our newly appointed Director of Estates, and the search for suitable additional bed numbers is a high priority for the Charity. The **Property and Projects Oversight Committee**, chaired by Mrs Sue Johnson, continues to oversee the bid processes, lease negotiations and existing site extensions. LHA's strategic Sustainability pillars are progressing well and are now to be fully integrated into our key performance indicators. Capital expenditure during the year has provided for a full external redecoration of the Halpin House in South Kensington and site mobilisation for next year's major internal refurbishment at Holland House in Victoria. A comprehensive programme of electrical systems upgrades across the portfolio has also been successfully completed.

The **Finance Audit and Risk Committee**, chaired by Mr Frackiewicz, has continued to monitor the finance function. The Trustee risk register and Health and Safety compliance is reviewed at its meetings. This year, our strategic funding initiatives for new land and building acquisitions were at the forefront of the objectives. We aim to implement a tender process for external statutory auditors for the 2023/24 financial year. Energy and supply chain costs have impacted our operating margins. These costs have been budgeted for in the 5-year plan.

The **People Committee**, chaired by Mr Ali Mohammed, received comprehensive reports on both employed and volunteering team members. We pride ourselves on having a diverse and inclusive team. The volunteer programme gives young people an opportunity to experience a safe London living environment. We have successfully met the challenges of inflationary wage pressure in the hospitality sector.

Our objectives for next year also include full external redecoration at Belvedere House in South Kensington and completion of the Holland House internal upgrade. Submission of the planning application for 62-bed spaces at Friendship House in Southbank is also on the list, as are the introduction of new aims for the LHA Fund and completion of lease terms for the Hounslow site. Social Impact measurement will continue to provide greater alignment with our objectives through a new set of key performance indicators. We are committed to expanding our bed numbers to provide yet more affordable quality accommodation in London. We continue to monitor the skill set of our Board to ensure the appropriate governance is in place.



Tony Perkins
Chief Executive and Company Secretary

Our Sustainability Strategy

Our eight strategic pillars continue to inform and drive our sustainability ambitions. It is our intention to encapsulate most of this work within our overarching net zero target – for our properties by 2050 and sooner for our business operations – by 2030.

These eight pillars are



Under these pillars, we have developed a system to determine our carbon footprint and monitor the waste, water, and energy use from each of our properties. This allows us to make interventions to reduce our consumption and conserve energy by altering how buildings are operated and used and through physical interventions.

Planned physical interventions – from minor to major – range from ensuring all low-energy lighting, aerated taps, and PIRs (passive infrared sensors) through to the use of biomass heating, photovoltaic energy generation and grey water usage.

Through our building programme, we will enhance our outdoor spaces for the benefit of our residents and wildlife, allowing both to flourish. For example, greening and planting spaces will benefit the environment and mental well-being.

The impacts of the COVID-19 lockdowns on the mental health and well-being of everyone are well recognised. We continue to take our duty seriously as responsible employers.

Our focus on the well-being of staff and residents includes the implementation of the “thriving at work” principles. In addition, we have provided all staff with mental health awareness training, and all hostels now have a team of trained mental health first aiders.

We have implemented our new people values: supportive, open and honest, welcoming, professional, passionate and knowledgeable.

Our focus on health and well-being and our people values are woven through our performance assessment system, where an equal emphasis is placed upon behaviours and targets.

Our focus on health and well-being continues to be a key contributor to our productivity and the satisfaction of staff, residents and volunteers and to embedding alignment of our values in everything we do.

We continue to engage with key beneficiary groups that help us deliver our charitable purpose best and support our purpose through the LHA fund and to partner with key charities such as the Single Homeless Project.

Our Performance Is Based On



LHA's Social Impact

A year ago, when I was composing the foreword for our 2021 report, I recall being filled with both pride and optimism. Pride at the incredible work that our teams were doing throughout the pandemic and of the individuals we'd been able to support and optimism that we were seeing the first glimmers of recovery post COVID-19. It seemed the world was indeed finding a way to 'live with COVID', and that an extended period of uncertainty, fear and, at times, panic was coming to an end.



Little did I know that a year later we would be faced with yet further uncertainty, fear and panic – now in the form of the cost-of-living crisis. This report highlights the impact we've been able to make during this period, which covers the end of the pandemic and the start of the sharp rise in the cost of living that is impacting all of our lives.

However, given all of this, I continue to be assured by the nation's ability to innovate and adapt by creating new initiatives in response to world events and by the positive legacy that we, at LHA London, are focused on building.

With that in mind, I'm immensely proud of our achievements over the last year and want to thank everyone who has been involved. We will continue to strive to support more young people and to have a greater impact through our places, programmes and activities.

For more information, please contact annualreport@lhalondon.com

Chief Executive and Company Secretary

Who Are We?



We firmly believe **everyone** should be able to follow their dreams. The the cost of accommodation should never be a barrier to a young person being able to study or work, and that no one should have to live in poverty in order to achieve their goals.

As a charity, we operate 13 hostels in the heart of one of the world's most diverse and energetic cities, and we provide a central and safe base for young people to 'Live their London Life'. Our 14th hostel in Hounslow is currently under development review.

We believe London is the place to be for work, study and have adventures. From the hottest bands to the coolest bars, the finest galleries to the most amazing views, London is exciting, inspiring and, at times, moving. We offer a wide range of accommodation in some of the best central locations and attractive all-inclusive rates.

However, we offer so much more than just a place to stay. We create safe and relaxed living environments whereby all young people can live the life they want.

We also help young people to make new connections, learn about different cultures and create lasting memories.

LHA People Values

Our people values are at the heart of everything we do and critical to the continued growth and success of LHA.

Supportive



We encourage ourselves and those around us to overcome challenges

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 an exceptional residents experience

Knowledgeable

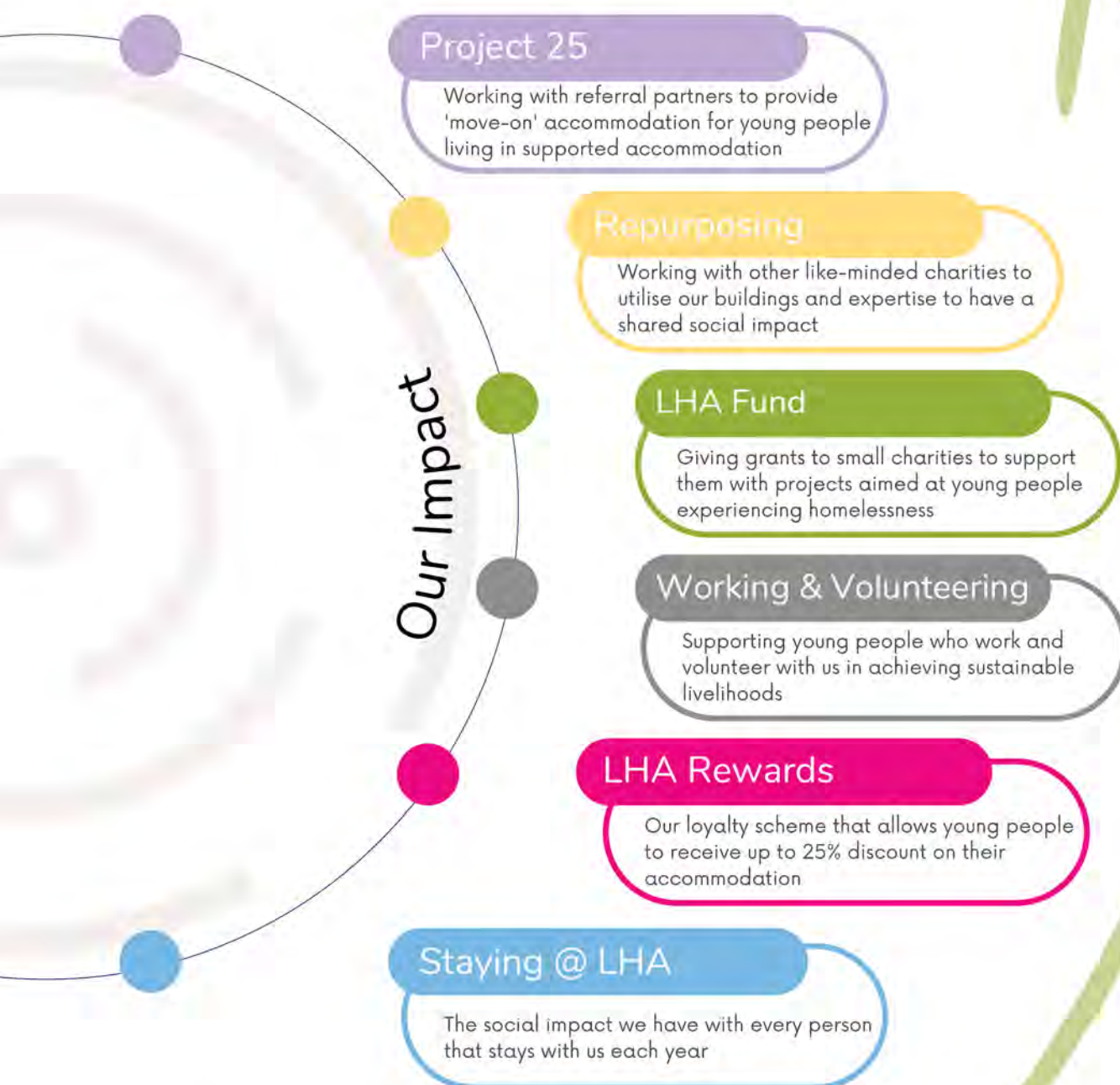


We take pride in our expertise



Measuring Our Social Impact

As a charity, we are determined to be a driver of social benefit by providing young people with affordable, safe and secure accommodation in London. Following our first Social impact report in 2021, we have looked more closely at how we view and measure social impact. Our overall ambition is to ensure we generate positive social impact through all of our places, programmes and activities. At the same time, we also want to acknowledge that we have a greater social impact through some of our more focussed programmes and activities, which are defined below.



For our first report, we designed a theory of change that has enabled us to articulate and measure the social impact and the outcomes achieved through our core activities.

Our Social Impact

Accommodation young people can afford makes **Central London** more accessible to all young people, sustains diverse communities and enables sustainable livelihoods.

Our Outcomes

Through our places, programmes and activities, we create environments where **people** gain new experiences, foster friendships with one another, improve their well-being and develop a sense of belonging.



The Measurement

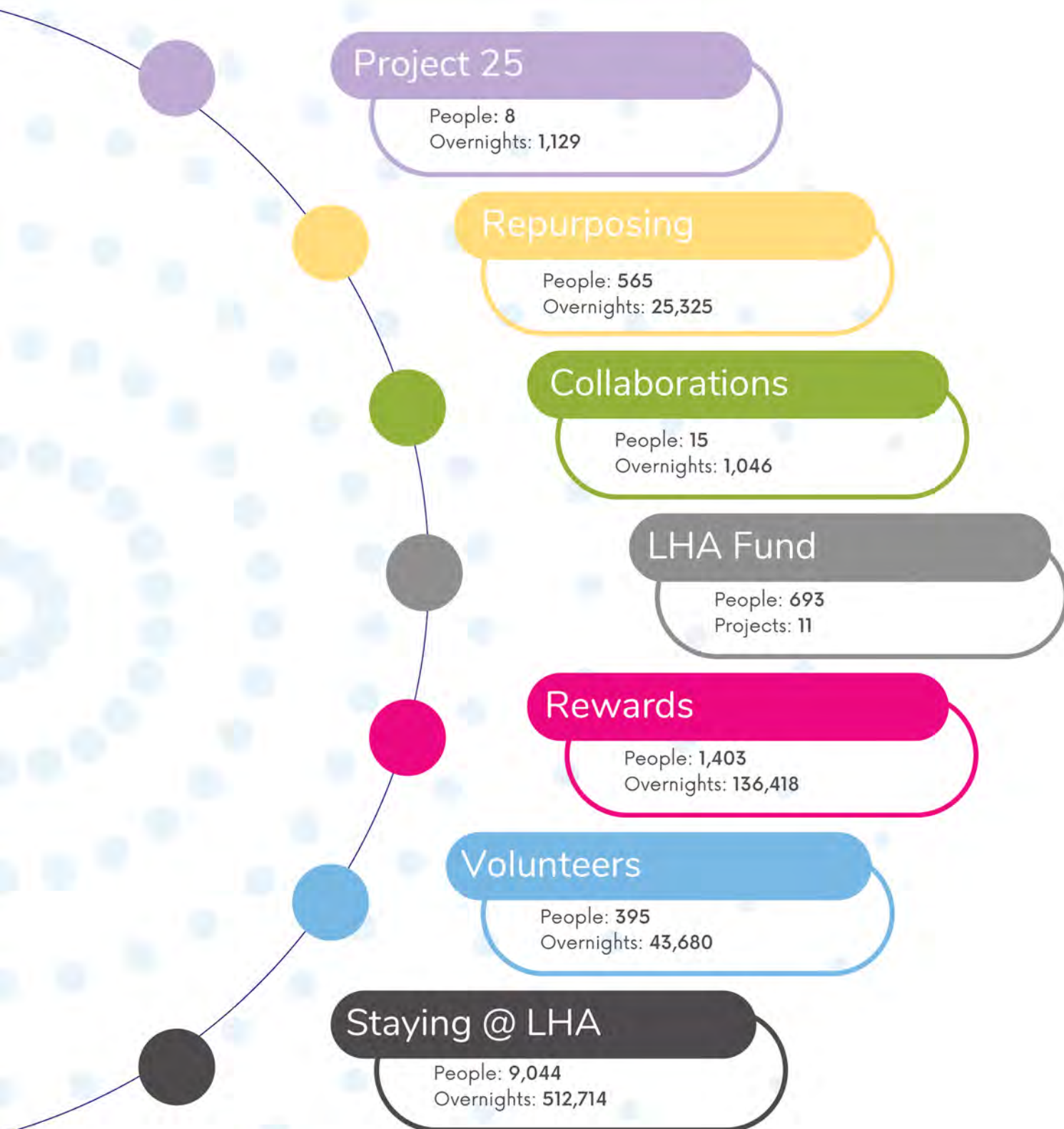
In this year's report, we wanted to look more closely at the overall sentiment of people's responses to our social impact survey. In order to support our future activities, we wanted to better understand where our opportunities are to grow and improve our social impact. In this report, we have included the percentage of positive responses to questions (for comparison to last year) and have also applied the Likert scale to responses to gain a better understanding of how respondents feel overall.

We have used the below summary table to interpret the scores:

| | |
|--------|----------------------------|
| 67-100 | Strive & Celebrate |
| 51-66 | Monitor to Further Improve |
| 34-50 | Improve to Monitor |
| 0-33 | Focus to Improve |



Our Year at a Glance



Our Year at a Glance

16,168

UNIQUE
ENQUIRIES
FOR ACCOMMODATION

OF RESIDENTS EARNING THE
LONDON LIVING WAGE OR
BELOW

64%

£276,810

AWARDED IN GRANTS AS
PART OF THE LHA FUND

OF YOUNG PEOPLE BENEFITTING FROM LHA
REWARDS FELT THEY COULDN'T HAVE
AFFORDED TO STAY IN LONDON WITHOUT LHA

89%

81

VOLUNTEER
ENGAGEMENT SCORE

OF RESIDENTS FEEL MORE CONFIDENT ABOUT
THEIR FINANCIAL SITUATION NOW THAN
BEFORE THEY STAYED WITH LHA

81%

97%

AVERAGE OCCUPANCY

91%

of young residents
agree that their stay
with LHA helped them
to gain independence

55%

of residents indicate
that they have made
friends with other LHA
residents

95%

of residents and
volunteers feel that in
London they are
accepted for who they
are

43%

of residents feel they
were at risk of
homelessness if they
had not been able
to stay with LHA

The World Around Us

London's post-pandemic recovery was swift, and remarkably, its GDP recovered to pre-pandemic levels by Quarter 3 of 2021(6).

As early as September 2021, there were clear signs that young people in the form of the student population were returning to London in large numbers. We must also remember that post-pandemic London is also post-Brexit London and, as such, there is limited meaningful data on what this means for young people moving to and living in the Capital.

Thankfully, London's dependence on young people for it to thrive has remained unchanged. Since the turn of the century, there has been a net inflow of young residents from the rest of England who move to London to study or begin work in their early careers (1). With its international appeal, London also draws hundreds of thousands of young people from across the globe for studies and employment (2,3) , bringing huge economic, intellectual and social capital to the city.

The Value of International Students (4)

| Annual Net Benefit | Jobs Supported |
|--------------------|----------------|
| £6.04 Billion | 140,000 |

The policy environment in the UK remains positive. In March 2019, the Government published its International Education Strategy, committing itself to increasing the number of international higher education students choosing the UK as their study destination to 600,000 and to increasing the value of education exports to £35 billion per year by 2030. After a decade of rhetoric and policy changes that suggested the Government's aim was the contrary, this commitment was welcomed throughout the higher education sector (4). It is notable that the 600,000 international students target was exceeded for the first time in 2020/21(5) .

However, data from 2021's admissions cycle suggests that the UK's exit from the European Union has severely affected EU student recruitment, with acceptances in early August 2021 to undergraduate degree courses 56% lower than at the equivalent point in 2020. This suggests the UK (and therefore London) cannot take its attractiveness as a 'study destination' for international students for granted (4).

The caveat to this overall positive outlook on young people travelling to London for study has been the onset of the cost-of-living crisis which has served to exacerbate the housing crisis even further. With inflation rising and Londoners experiencing staggering increases to their energy bills, the rise in the cost of living is putting increased pressure on Londoners. Additionally, on the back of the COVID-19 pandemic, this has particularly affected those on the lowest incomes and those without secure work.

Poverty was a serious issue in London prior to the pandemic, and many struggled with the cost of housing, heating and food. During this period, more Londoners both in and out of work needed benefits to make ends meet. Falling incomes, in real terms, and increases in the cost of living are expected to worsen living standards for many. In this context, the mental well-being of Londoners has been significantly eroded(6) .

London's Poverty Profile (6)

| | |
|--------------------------------------------------------------------------------|------------------------|
| London Poverty Rate (Projected 2022) | 28.1% (16% Rest of UK) |
| Londoners Living Below the Minimum Income Standard (MIS) (Estimate April 2022) | 38% (3.6 Million) |
| Londoners Experiencing Fuel Poverty (2019) Pre-2022 Inflation | 15% |
| Londoners with Low or Very Low Food Security | 1 in 5 |

Unemployment rates in London returned close to pre-pandemic levels in the latter half of 2022. Unemployment rates for all age groups are higher in London than in the rest of England, something that has been true since the turn of the century. Unemployment in London has always been most prevalent among those aged between 16 and 24 at 17.6%, compared to just 4.2% of those aged between 25 and 64.

As we approached the peak of winter 2022, 77% of Londoners believed the cost of living was one of the most important issues facing the Capital – with one in four Londoners finding it difficult to manage financially. (7)

The March 2021 census showed a 7.7% increase in London's population since 2011 (i.e. 8.8 million people). It should be noted that London was still in the midst of the pandemic, so it is likely the population is now even higher. London's housing stock has continued to fail to meet the extra demand. (8) This has led to spiralling rental costs in the Capital and caused the Mayor of London to call for an enforced rent freeze in London to prevent the issue from worsening. (9)

In the wider context of what constitutes affordable housing, the Government released a report in March 2022 entitled 'What is Affordable Housing?' This highlighted the many issues that need to be tackled and recognised. There is no agreed definition of what 'affordable housing' is going to be.

The most commonly referred to definition of affordable housing is set out in Annex 2 to the National Planning Policy Framework (NPPF). This is the definition used by local planning authorities when making provision within their areas to meet the local demand/need for affordable housing. The NPPF definition incorporates social rent, as well as a range of intermediate rent and for-sale products. The Affordable Housing Commission (2020) concluded that 'many of these products are clearly unaffordable to those on mid to lower incomes'. (10)

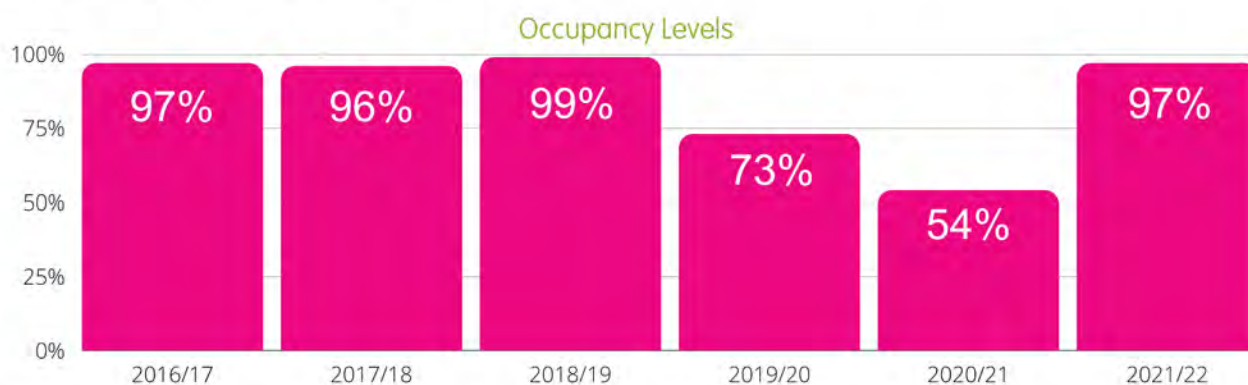
Providing affordable accommodation for young people in London has never been more relevant. Sadly, LHA's ability to grow its impact continues to be limited by its bed stock, and there has never been a more pressing need for LHA to acquire and establish more hostels. The hostels that LHA provides ensure that young people from across the UK (and beyond) continue to have access to affordable accommodation in central London enabling them to pursue their passions and their careers.

Staying at LHA

Over **9000** people benefitted from staying with LHA in 2021/22, and a total of **over half a million** overnight stays were recorded.

Occupancy recovery was exceptionally fast following the lifting of the COVID-19 restrictions, with young people flocking back to London. The majority of our hostels have been over 95% occupied since October 2021 and, in the latter part of the year, we have consistently operated at over 99% occupancy.

From April 2022, we saw enquiry volume exceed pre-pandemic levels, peaking in September 2022 with over 2,800 unique enquiries for accommodation received in the month - that's an increase of 83% compared to 2019. Sadly, though, we do not have sufficient bed stock to meet the current demand, this has only increased our ambition to acquire new sites and to increase the number, affordability and range of facilities on offer to our residents only increased as a result.



Staying at LHA Our Residents

LHA continues to operate an open-access policy that attracts people from diverse backgrounds and locations.

“

I was on the verge of homelessness and losing everything that I had worked towards; it is so inspiring to live in Central London, to see new people and races every day.

”



114

different nationalities
were recorded as
having stayed with LHA
in the year 2021/22

Employment

53%

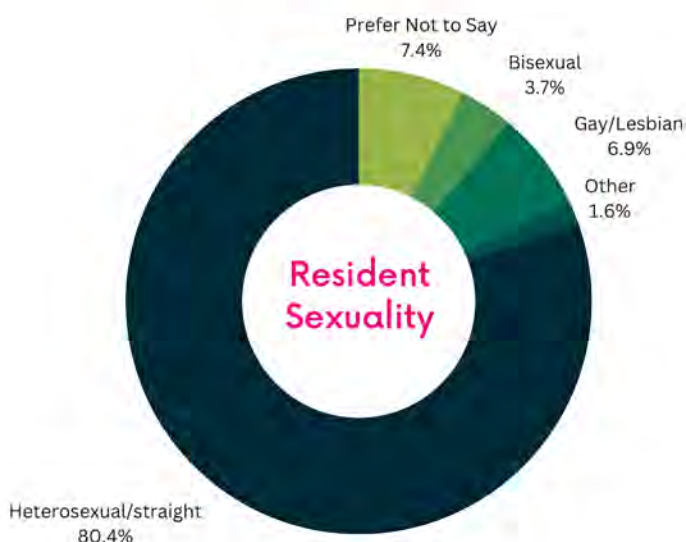
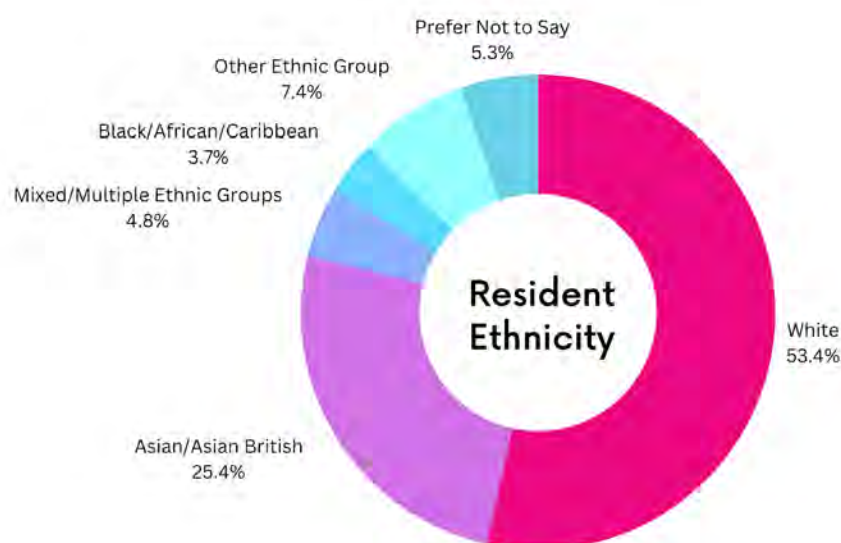
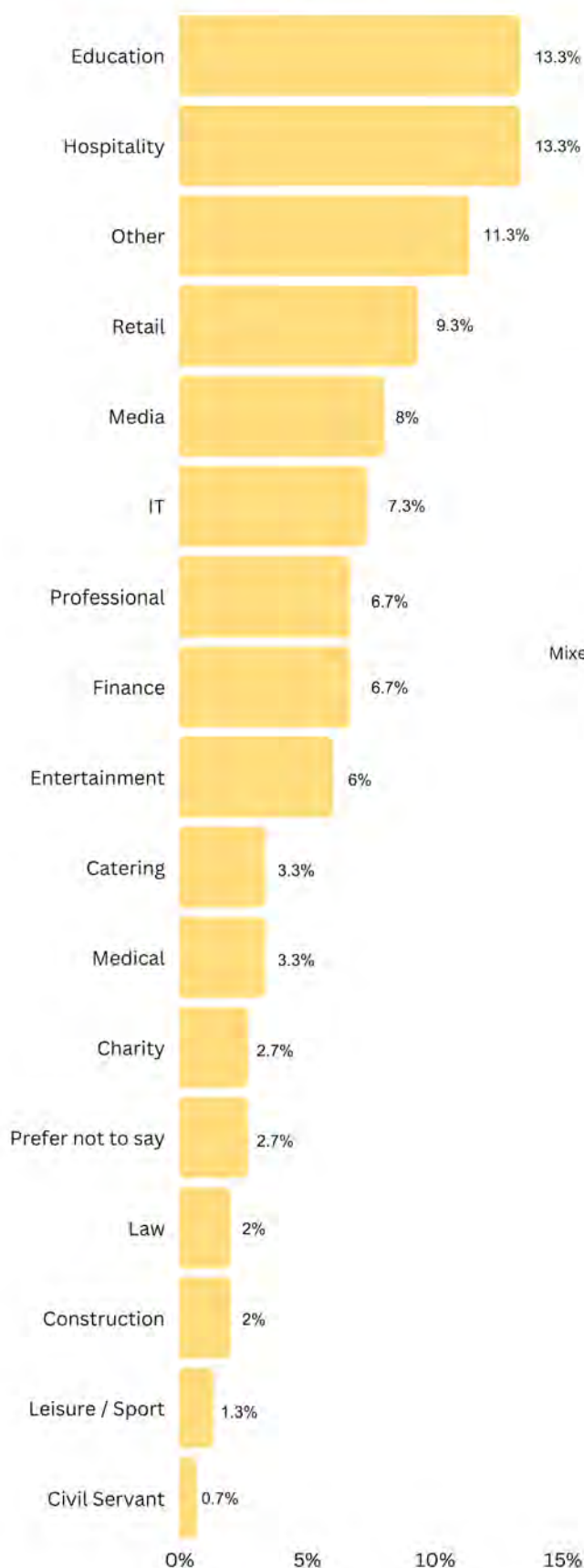
of residents are
currently engaged
in full or part-time
work

27%

of residents are
currently engaged
in full or part-time
study

Exploring Resident Diversity & Background

Resident Employment Industry



Staying at LHA – Outcomes: Gaining New Experiences

OVERALL SCORE 75

By providing affordable accommodation in Central London, we enable residents to experience the city to its fullest and thrive in the unique, diverse and exciting environment that Central London offers. For young people, LHA may be their first 'home away from home', providing a sheltered environment with access to support. Our key findings:*

| Gain experience living in a global city | 2021 | 2022 | SCORE |
|-----------------------------------------------------------------------------------------------------------------|------|------|-------|
| I was able to connect with people with mixed, diverse backgrounds in LHA | n/a | 81% | 74 |
| To what extent do you feel that the volunteering experience has been valuable to your professional development? | n/a | 90% | 81 |
| The experiences I have had in London (outside of LHA) have been valuable to me | 85% | 92% | 85 |
| My stay with LHA has helped me to achieve my goals | n/a | 88% | 76 |
| My stay with LHA has helped me to gain independence | 75% | 87% | 75 |

*All scores improved on prior year

“

Being able to stay in Central London with LHA has allowed me to attend my wonderful full-time internship at Christian Dior. The services included like on-site laundry room, bed sheet changing, and daily room cleaning, have all helped me manage my time and focus on my internship. Staying with LHA in Central London has also allowed me to go to regular workout classes after work and then be able to walk back home to LHA. I was also able to meet friends and go out after work with colleagues and return home at a reasonable time as there are great dinner, drink, cafes and shopping malls in walking proximity which made me feel safe.

”

Staying at LHA – Outcomes: Improved Well-Being

“

Overall, it has meant peace of mind whilst working towards my career goals. I come from a low-income family and staying with LHA has made all the difference. Before I came across LHA online, I was looking at house shares situated much further away, and the rent was more than what I currently pay (and bills were not included). They were not well maintained and were owned by private landlords whose main concern was money. Whilst there have been some rent increases at LHA, it is clear that these were the minimum necessary and plenty of notice was given.

When I previously rented privately, I lived in different places where there were a variety of issues which just made day-to-day life quite difficult.

For example, these places had issues with mice/rats, people using drugs, noise, no hot water, etc. I know at LHA this is not going to be the case and if an issue does arise (very rarely), it will be dealt with by the fantastic and hardworking staff.

This has resulted in better well-being overall. I am working towards achieving financial security (I am currently on a fixed-term contract) and LHA has meant I can do so without excessive worrying about money and accommodation. I think there should be more organisations like LHA and it is a shame there aren't. I appreciate that this is a challenging time economically, but I really hope that LHA is able to continue for many years to come!

”

OVERALL SCORE 74

We believe that the combination of affordable accommodation, high-quality facilities, good locations, and sociable living helps to improve residents' overall well-being. Using the Short Warwick-Edinburgh Mental Wellbeing Scale, we measured whether residents' well-being had improved since moving in with LHA. As shown below, there was a really positive sentiment among all our residents with regard to their well-being whilst staying at LHA:

| Compared to when you moved in with LHA, do you feel the following more or less frequently? | SCORE |
|--------------------------------------------------------------------------------------------|-------|
| I feel optimistic about the future | 75 |
| I feel useful | 75 |
| I have been feeling interested in other people | 71 |
| I have been feeling close to other people | 68 |
| I have been feeling confident | 76 |
| I have been feeling interested in new things | 77 |

Staying at LHA – Outcomes: Fostering Friendships

OVERALL SCORE 63

During the course of 2021/22, our hostels came back to life after two years of reduced social interaction. LHA Living is all about community and is becoming increasingly important as young people start to realise the value of sharing affordable living. It has proven a great way to make friends and feel less lonely – something that young people new to the Capital can struggle with.

LHA is convenient and cost-effective because it offers individuals more than just a home. It offers a lifestyle, a social network and an opportunity to connect with others in increasingly isolating urban environments. Whereas the majority of residents indicated that they had made friends with other residents and/or staff, they were less positive about a wider social network or community. This represents a key area of focus for the year ahead.

| Residents foster friendships with each other | 2021 | 2022 | SCORE |
|----------------------------------------------------------------------------|------|------|-------|
| % that agree that they made friends with other residents | 54% | 71% | 66 |
| % that agree that they made friends with staff | n/a | 73% | 66 |
| % that agree that there was a strong sense of community at LHA | 52% | 72% | 62 |
| % that feel part of a social network at LHA | n/a | 59% | 56 |
| % that feel that they are likely to stay in touch with other LHA residents | 47% | 70% | 65 |

“

I've met friends that will stay connected for years. I met a partner with whom I spent some of the most valuable time in London. LHA has given me the freedom to live worry free in London as I can afford the rent and not have to worry about meals.

”

“

Staying in LHA made me achieve a good balance of work and life. Being close to Central London makes me explore new things within the city and make new friends.

”

“

LHA have changed my life in such a way that I have become more positive in tackling challenges moving from the countryside to London. It made me more friendly.

”

Staying at LHA – Outcomes: Sense of Belonging

“

Living in this place makes me realize that we don't need much to have amazing life experiences. We often fail to do and have experiences for not knowing places like LHA that provide "living at home". I was glad I chose to live here! Thanks.

”

“

Change my life because I feel more confident about my finances. Changed my life because I love staying here. Right now in my situation I cannot find a better place to move to. LHA is by far the best bargain in London, too good to be true, but it actually is a reality. Thank you all.

”

OVERALL SCORE 73

The need to have a sense of belonging is a basic human instinct. It is a core pillar in our values as we look to create environments that feel like a home from home and connect people and places - with the added freedom to live their lives the way they want. We feel really honoured to be able operate in the locations that we do. This clearly resonates with our residents and volunteers who time and time again fall in love with the city. In fact, over 90% state they want to live in London in the future and 95% feel accepted for who they are.

| Sense of belonging to london among residents | 2021 | 2022 | SCORE |
|-----------------------------------------------------------------|------|------|-------|
| % that indicate they would like to live in London in the future | 60% | 91% | 80 |
| % that indicate they feel part of a social network at LHA | n/a | 59% | 56 |
| % that feel accepted for who they are in London | 73% | 95% | 82 |

Staying at LHA – Our Impact: Sustaining Mixed, Diverse Communities in London

“

It was easier for me to get to places physically due to the overground connection and buses connecting to Manor Park and Angel underground stations. It meant I could work at a more varied location of workplaces. It's well located to get a bus to Waterloo or London Bridge train stations for trips to the beach just outside of London. I think I took up several acting jobs I wouldn't have otherwise considered due to the location and the building being quieter than most, because getting a good night's sleep is really important to me. I made friends with people I lived near or with in the same flat. One of them was an actress/singer, so we had a lot in common even though she was from Argentina.

”

OVERALL SCORE 74

LHA London is open to all and welcomes people from across the globe, creating a community of individuals from all walks of life and all backgrounds. In so doing, it allows people to experience all the best things about London. 91% of residents and volunteers indicate they would like to live in London again; 94% of residents agree connecting with people with mixed, diverse backgrounds has been valuable to them and 81% agree they have been able to do this at LHA.

| Sustaining mixed, diverse communities in London | 2021 | 2022 | SCORE |
|---------------------------------------------------------------------------------------------------|------|------|-------|
| % that indicate they would like to live in London in the future | 60% | 91% | 80 |
| % that feel that connecting with people with mixed, diverse backgrounds has been valuable to them | n/a | 94% | 84 |
| % that feel part of the LHA community | n/a | 59% | 56 |
| % that have been able to connect with people with mixed, diverse backgrounds at LHA | n/a | 81% | 74 |

Staying at LHA – Our Impact: Enabling Sustainable Livelihoods

OVERALL SCORE 72

By providing a foothold in London with the ability to pursue a career or studies, we help to enable sustainable livelihoods in the long term. These may include a more stable financial or housing situation, improved career opportunities or improved well-being. We asked residents about their housing situation prior to staying with LHA. We found that 12% of residents were living in temporary or emergency accommodation or were homeless prior to LHA. We consider this an important achievement for these individuals. LHA has been a helpful stepping stone towards a more sustainable livelihood. We asked alumni residents to think about how their life may have been different if they hadn't stayed with LHA. Comments ranged from 'no difference' all the way to 'LHA having a tremendous impact on their lives'. For some, staying at LHA meant being able to pursue their studies or employment or getting to know London and meet new people. For others, it was a chance to save money towards a first deposit or to lead a more fulfilling life with less pressure.

| Enabling sustainable livelihoods | 2021 | 2022 | SCORE |
|-------------------------------------------------------------------------------------------------------|------|------|-------|
| % that feel that the volunteering experience has been valuable to their professional development | 74% | 90% | 79 |
| % that feel their stay with LHA has helped them to pursue their passions and/or careers | 66% | 85% | 74 |
| % that feel more confident about their financial situation now than before they were staying with LHA | 53% | 84% | 71 |
| % that feel more confident about their future prospects as a result of their stay with LHA | 47% | 83% | 70 |

“

Saving 80% of my salary consistently. Start investing and building my financial future. Living below my means to start a company in the next few months. Lots of cash available. Without LHA, I would fulfill my ambitions at a lower pace. 10 minutes by bike or 20 minutes by foot in my workplace. Being able to access Hyde Park and enjoy nature. I can say many things. I am grateful to LHA.

”

I have been able to move back to London, which has enabled me to pursue my career goals. Although I am still working towards a number of goals (such as obtaining a permanent/longer-term contract), I am in a much better position now than previously. I have been able to live in a convenient location (i.e. I have not had to live outside of London and spend lots of money and time commuting each day) in a safe, comfortable, well-maintained building, with a friendly and welcoming atmosphere, which I have been able to afford. This has meant I have been able to go to work each day knowing that I have good accommodation to come back to in the evening, and I have not had the worry and stress of trying to rent from a private landlord. This has meant I have been able to focus on my work. I had accumulated private debt on a couple of credit cards when I was training, and I had been planning on paying that debt back quickly when I started working. Because of the pandemic, I was earning a very low income and was therefore unable to do that. However, living at LHA has meant I was able to clear that private debt over time, rather than paying all of my money to a private landlord and making minimum credit card repayments each month. Because I live in Central London, I have also been able to avail of work opportunities that would not have been open to me otherwise. Also, living in central London with LHA means I can spend my free time getting to know the city really well, which has had a positive impact on my mental health.



Staying at LHA – Our Impact: Making London Accessible to Young People

LHA seeks to make London accessible to young people by providing affordable accommodation, facilities and support to its residents. During a year where rental prices have spiralled in London, leading to calls for a rent freeze in the Capital (and even to people taking to the streets to protest about the unaffordable increases being made by private landlords), LHA has worked hard to minimise increases in accommodation charges and continued to offer up to 25% off on accommodation for people aged under 30.

LHA continues to assess the affordability of its 'all-inclusive' offer on a regular basis. 56% of its accommodation meets the Mayor of London's affordable rent benchmark of no more than 30% of an individual's income being spent on housing (for those earning National Minimum Wage), and 90% of its accommodation is affordable to those on low incomes (i.e. £29.5k or less per annum).

Our surveys have shown that 54% of residents who stayed with LHA moved here from outside London. 60% had never lived in London prior to their stay with LHA; thus, for many, LHA was an introduction and stepping stone into the city.

| Making London accessible to young people | 2021 | 2022 |
|-----------------------------------------------------------------------------------------------------------------------|------|------|
| % that feel they would not have been able to come and stay in Central London if they had not been able to stay at LHA | 57% | 58% |
| % that feel they were at risk of homelessness if they had not been able to stay at LHA | 16% | 43% |

“

I decided to stay in LHA as with the cost of living it allows me to save a bit more money. There's no contract/bands when staying long term. The accommodation is near my workplace and transport links are easy. LHA comes with people who clean the property every week and this has been difficult for me working 14 hours a day. The overall cost of the accommodation has been affordable as it allows me to pay weekly, especially if my salary comes a bit later than expected.

”



LHA Rewards

Providing young people with their first stepping stone to achieving independent living in London is at the centre of what we do. Alongside our volunteer scheme, LHA Rewards is central to us meeting that aim. LHA Rewards offers young people under the age of 30 the opportunity to receive a discount of up to 25% on their accommodation.

Over **1,400** young people benefited from LHA Rewards – that's over **135,000** overnight stays.

The need to support and understand young people has never been greater. The cycles of insecurity they can suffer from because of interconnected problems can seem inescapable. They have faced waves of crises since 2008 (financial crisis, COVID-19 etc), and their voices are mainly absent from public policy, so policymakers do not fully understand and cater to their issues. (11)

We looked at responses specifically from residents benefitting from LHA Rewards. Broadly, scores were comparable to those received from all residents, but the improving well-being score was slightly lower, whereas the fostering friendships score was significantly higher. This emphasises the need to look specifically at the challenges faced by young people in London and how they differ from those faced by the wider population, as discussed in 'Cycles of Insecurities'. (11)

Most notably, 89% of young people benefitting from Rewards felt they would not have been able to afford to come to stay in Central London if it had not been for LHA.



LHA Rewards

“

I have been able to complete an apprenticeship at *The Times* newspaper as a journalist. I would not have been able to do this without LHA's affordable accommodation.

”

“

I love LHA, all the boxes I tick I truly mean it. I am proud and grateful to say to people that I am paying the cheapest rent in London. LHA saves me my money. Amenities are outstanding, location is perfect. It is really hard to find negatives.

”

| 2022 Outcomes | ALL | REWARDS |
|---------------------------------------------------------|-----|---------|
| Gain Experience of Living in a Global City | 75 | 75 |
| Improved Well-being Among Residents | 74 | 73 |
| Residents/Volunteers Foster Friendships with Each Other | 63 | 72 |
| Sense of Belonging to London Among Residents | 73 | 76 |

| 2022 Impacts | ALL | REWARDS |
|----------------------------------------------------------------------------------------------|-----|---------|
| Sustaining mixed, diverse communities in London | 74 | 76 |
| Enabling sustainable livelihood for youth, homeless people and other groups living in London | 72 | 74 |

| Providing Affordable Living in Central London for Those on Low Incomes | ALL | REWARDS |
|-----------------------------------------------------------------------------------------------------------------------------|-----|---------|
| % that feel that they would not have been able to come to stay in Central London if they had not been able to stay with LHA | 58% | 89% |
| % that feel they were at risk of homelessness if they had not been able to stay with LHA | 43% | 58% |

Volunteering at LHA

OVERALL SCORE 81

Volunteering at LHA London is an important part of not only keeping the cost of accommodation affordable but also making a social impact. Over 600 people donated their time to LHA during the year.

| Volunteering at LHA | SCORE |
|--------------------------------------------------------------------------------|-------|
| Overall, how would you rate your volunteer experience? | 84 |
| If you had another opportunity, how likely are you to volunteer with us again? | 80 |
| How likely are you to recommend volunteering with LHA to a friend? | 80 |

“

In the first place, I was able to to accomplish my dream of visiting UK and a beautiful city as London. I have increased my network with people around the world and I have made good friends. I have learned to give real value to my time, job, friends and relatives. I have had time to develop both personal and professional skills, and even to improve spiritually. And finally I have received more than I expected from this volunteering experience.

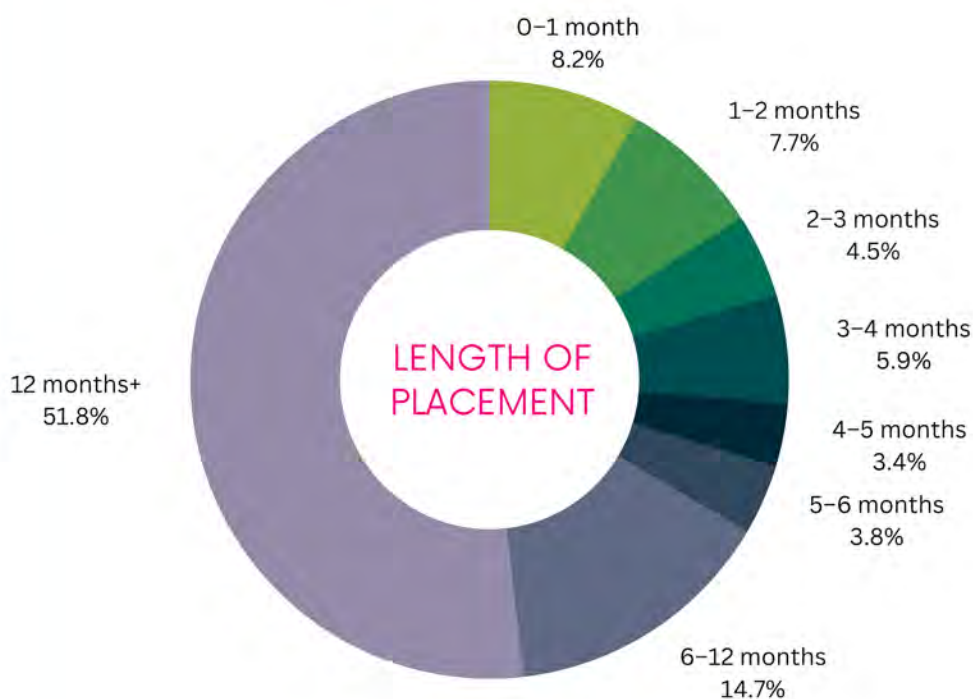
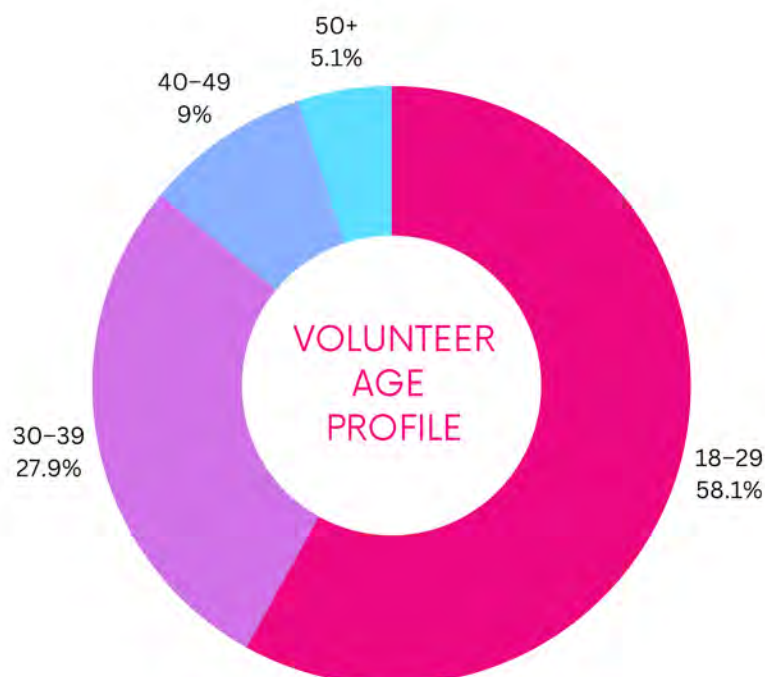
”



”

While I have been in LHA, I have been able to pursue my master's degree, which is a two-year degree. My experience in LHA, especially in Halpin House, has been great because of the role I have as a night porter and the people I am surrounded with. In terms of the room, it has been great since I can study without problems because of the time in which I can volunteer. My manager is a great person, always attentive, willing to support, always working with people and very supportive. My all gratitude for him. Without the support of LHA, I would not be able to sustain myself in terms of money to study.

“



Volunteering at LHA

By volunteering with LHA, people are able to develop new skills and improve existing ones. 90% of participants feel that the volunteering experience has been valuable to their professional development. 100% of participants feel they have improved their skills and expertise in hospitality as a result of their volunteering experience. We asked our volunteers specifically about which other skills they felt had improved as a result of their participation. Positive improvements were recorded across all of the categories:

| Which other skills you feel had improved as a result of you volunteering at LHA | SCORE |
|---------------------------------------------------------------------------------|-------|
| English Language | 72 |
| Time Management Skills | 84 |
| Communication Skills | 88 |
| Attention to Detail | 85 |
| Teamwork | 84 |
| Knowledge of Hospitality | 87 |





We asked all volunteers the same questions (as we did our residents), and across all indices, a greater level of social impact was noted. This reinforced the importance of the volunteer scheme to us meeting our charitable objectives.

| 2022 Outcomes | ALL | VOLUNTEERS ONLY |
|---------------------------------------------------------|-----|-----------------|
| Gain Experience Living in a Global City | 75 | 84 |
| Improved Well-Being Among Residents | 74 | 83 |
| Residents/Volunteers Foster Friendships with Each Other | 63 | 78 |
| Sense of Belonging to London Among Residents | 73 | 81 |

| 2022 Impacts | ALL | VOLUNTEERS ONLY |
|----------------------------------------------------------------------------------------------|-----|-----------------|
| Sustaining mixed, diverse communities in London | 74 | 84 |
| Enabling sustainable livelihood for youth, homeless people and other groups living in London | 72 | 78 |

| Providing affordable living in Central London for those on low incomes | ALL | VOLUNTEERS ONLY |
|-----------------------------------------------------------------------------------------------------------------------------|-----|-----------------|
| % that feel that they would not have been able to come to stay in central London if they had not been able to stay with LHA | 58% | 62% |
| % that feel they were at risk of homelessness if they had not been able to stay with LHA | 43% | 56% |

LHA Collaborations – Publicis Groupe

LHA's collaboration with Publicis Groupe started in August 2020, as part of Saatchi & Saatchi's 50th anniversary celebrations. The aim of the collaboration is to provide a roadmap designed to improve entry into the advertising industry for Black, Asian and Ethnic Minority talent, and those from low social mobility backgrounds.

Saatchi & Saatchi was founded in 1970 by two brothers, the sons of Iraqi Jews who escaped persecution in Iraq to come to Britain. Despite being outsiders to the industry, they created an ad agency and revolutionised the industry with the belief that as long as you could marry chutzpah (meaning the 'quality of audacity') with potential, 'nothing is impossible'.

Saatchi & Saatchi is transforming this founding ethos into future action with the launch of Saatchi Ignite, Saatchi Open and Saatchi Home – a suite of programmes aimed at inspiring, enabling and progressing more diverse talent from across the UK.

Saatchi Home provides tiered affordable accommodation in zones 1–2 for interns, Saatchi Open candidates and junior team members. Saatchi Home is supported by the Advertising Association and is designed to be a blueprint for the industry in removing barriers to entry – one of those being affordable housing in London.

Saatchi Home

| | |
|--------|------------------------------------------------------------------------------------|
| Tier 1 | Rent-free/heavily subsidised accommodation for interns who live outside of London. |
| Tier 2 | Subsidised accommodation for Saatchi Open candidates. |
| Tier 3 | Preferential rates for all junior agency talent below a set salary threshold. |

In 2021/22, LHA welcomed 15 Saatchi Home participants to a number of our properties – recording a total of 1046 overnights.

The ambition is to now share this blueprint for success which can be replicated, at scale, by partners and competitors alike while inspiring, enabling and progressing more diverse talent from across the UK by providing either rent-free or subsidised short-term accommodation as they settle into London and their new role.

Hemi Patel, participant on the Saatchi Home and Saatchi Open programme said, 'This opportunity wouldn't have been possible without the support of LHA London and the Saatchi Open and Home programmes. Like many students, I'd not heard of advertising as a career choice. It was only thanks to chance that my university lecturer was an ex-creative director, who recommended I give it a shot. It's why I'm also really keen to get involved in Saatchi Ignite'.

Stephen Woodford, CEO of the Advertising Association said, 'The advertising industry is determined to make access to the industry as wide as possible and that means opening up to talent from every kind of background across the UK and overseas. The Saatchi Home initiative with LHA is exactly the kind of innovative solution we need to see to make a move to London much more affordable, so removing what is a major barrier for many. I'd be delighted to see more agencies, production companies and media owners build on this pioneering partnership'.

Sarah Jenkins, managing director of Saatchi & Saatchi said, 'We have deep-rooted barriers preventing too many brilliant and talented people from entering our industry. These are challenges made harder as a result of the pandemic and those already having to navigate London living costs, often without the welcome support of Bank of Mum & Dad. I'm super proud of what we are doing with LHA through Saatchi Home, but this can and should be much bigger than that. Change will only come with the industry working together, at scale. Saatchi Home is a fantastic blueprint for any organisation who wants to create demonstrable and sustainable change'.

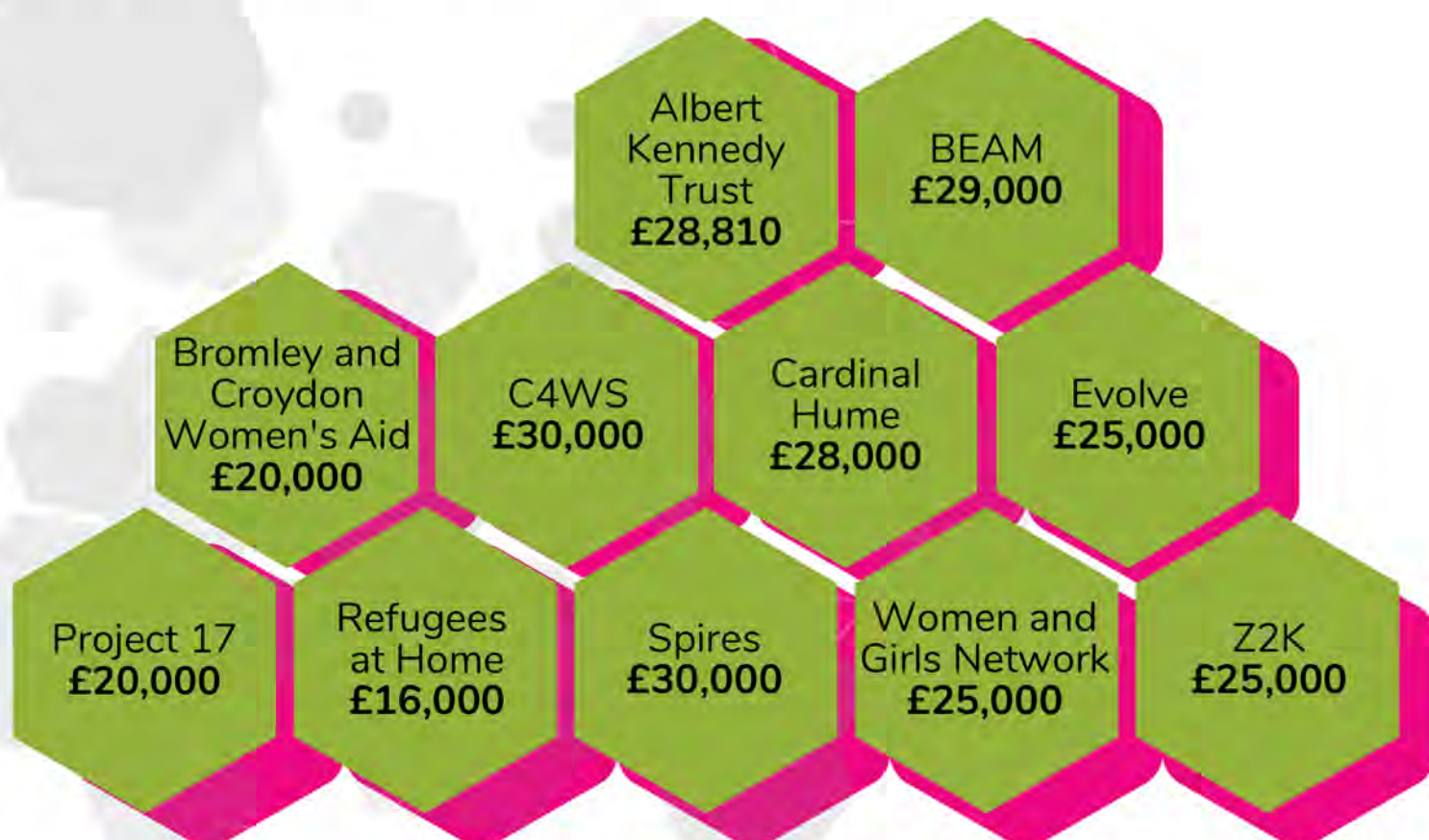


LHA Fund

The LHA Fund, in its current form, was established in 2014. The purpose of the fund is to make financial grants (up to £30k per annum) to small charities operating in London who are working with young people (under 35) and supporting them with issues of homelessness. Through the fund, LHA seeks to grow its social impact beyond its own buildings and to help tackle complex issues beyond its own internal expertise. Through the fund, LHA has made grants for capital improvements, revenue costs (funding for salaries) and schemes, offering mentoring and advisory services to help young people access housing.

In 2021/22, **eleven** projects received grant awards with a total value of **£276,810**, and **693 people** were directly impacted by the fund projects. Each fund is monitored through conversations with project leads and grant beneficiaries (where appropriate). Additionally, projects capture case studies and track outputs and outcomes. Key considerations include grant use, outcomes and impacts, circumstances affecting grant use and future changes ahead.

2021/22 Projects



Each year, the LHA monitoring conversation includes contextual changes that affect or are likely to affect strategic direction and operational issues of organisations receiving LHA grants. Although COVID-19 is still relevant, projects have moved on from crisis mode and many have made the operational adjustments required. However, the Government's substantial funding for projects directly dealing with shelters or other forms of shared accommodation is now at an end, and there is as yet no comparable emphasis or action on provision of secure affordable accommodation in London at the volume needed. The housing crisis in London therefore continues. There is still an over-reliance on the private rented sector, and there is no significant change in the policy underlying Local Housing Allowance levels for single people; that is, there is still a tendency to see shared accommodation as suitable for most young people.

For disturbing reasons, some of the organisations funded this year have hit media headlines, notably Refugees at Home (Ukraine) and Bromley and Croydon Women's Aid (at the launch of the new Tackling Domestic Abuse Plan), which indicates that charities, however small and local, can be seen as the experts in national and international crises.



BEAM Case Study

One person who has benefitted from LHA funding is 25-year-old Detta, who was referred to Beam by Islington Council in early 2022. Detta became homeless when her dad kicked her out and she ended up in temporary accommodation. Beam helped Detta raise £1,931 from 18 supporters – including LHA – to fund a rental deposit, first month's rent, moving van and housing essentials. With Beam's support, Detta moved into a property in April 2022 and since then her life has been completely transformed.

Detta shared this update with her Beam supporters: 'Through your donations I have been able to secure a better home and continue working towards getting a better and greater place to call home!'

Read the full update on her campaign page here:

<https://beam.org/campaigns/detta>

For more information on LHA Fund projects, please visit

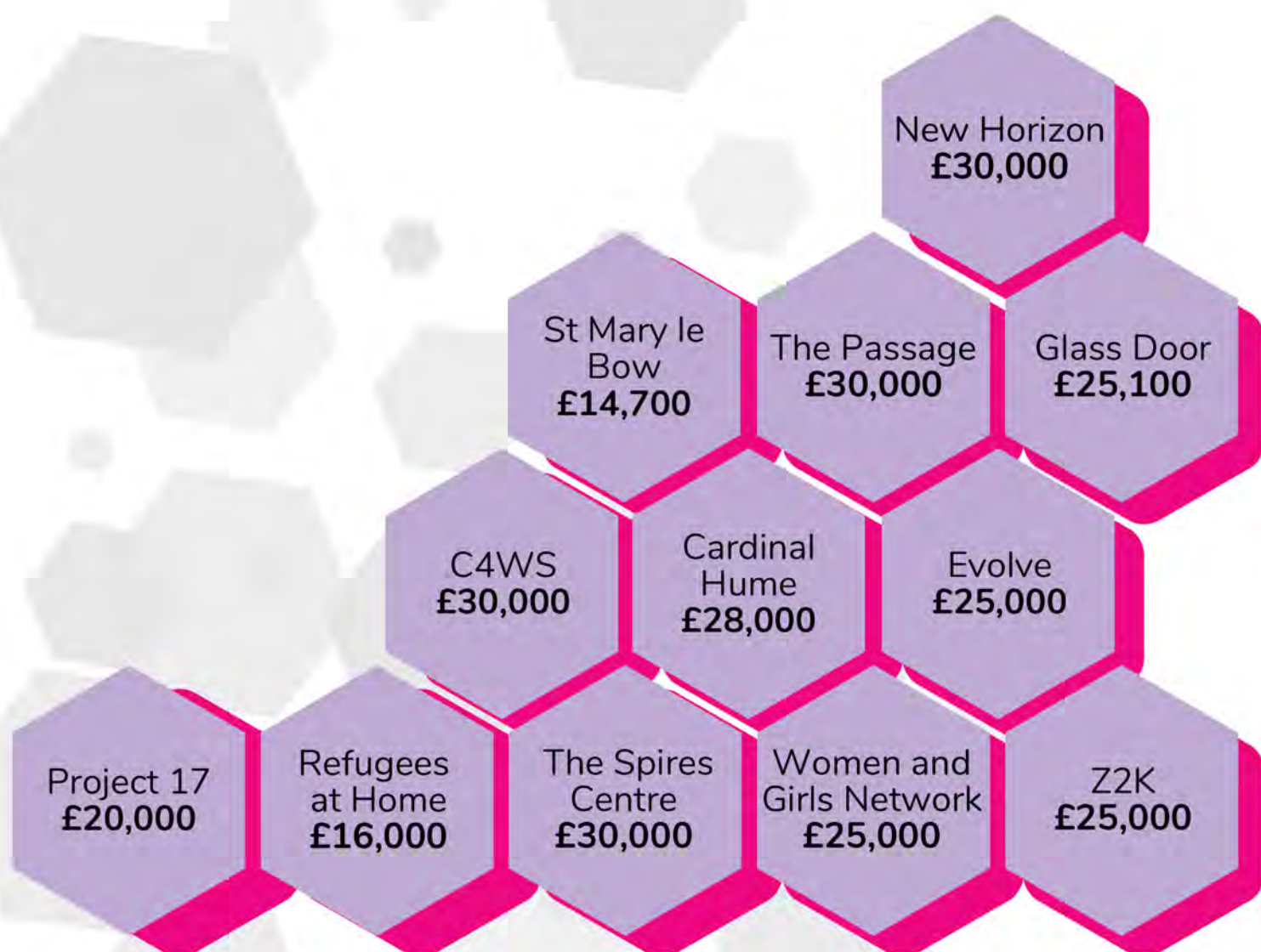
www.lhalondon.com/our-programmes/



LHA Fund Looking Ahead

Looking ahead to 2022/23, it is proposed that grants be made to **14 charities** (three more than the prior year). The total value of the proposed grants is **£347,800** (an increase of £70,990 from the prior year).

2022/23 Proposed Funding



LHA Repurposing

In late 2020, as the world started to understand the full impact of the pandemic and came to terms with the fact that in all likelihood there was no quick or easy fix to the crisis, LHA found itself in a new situation. We had empty bedrooms (over 200) and empty beds (nearly 800). With none of our hostels ever mandated to close, we were determined to provide as much support as possible to house those that needed it most. LHA Repurposing was born. We reached out to the various charities we had worked with through the LHA Fund and our network of contacts soon grew, as did the requests for support.

This was a period of innovation for everyone involved, and we repurposed our hostels in a number of different ways, ranging from simply providing a safe, secure and well-maintained building for other charities to operate in, through to supporting charities in utilising our operational buildings all the way to our teams working alongside teams from other charities to fill the void left by the closing of night shelters. We view this work as a positive legacy of the pandemic that has continued into our post-pandemic operating plan.

In 2021/22, **565** individuals benefitted from our various repurposing projects, and a total of **25,325** overnight stays were recorded. For the majority of individuals, this meant that rather than having to sleep rough on the streets of London, they were provided with the safety and security of their own room and bed to sleep in. They were fed three meals a day and were able to access mentoring and advice services to help them find a route out of homelessness.



Who We Worked With

GLASSDOOR

The team from Glass Door worked alongside LHA's team at New Mansion House to deliver night shelter services between November 2021 and May 2022.



They transferred their entire operation to our Holland House site up until August 2022, which enabled them to fully refurbish their existing hostel on Longmore Street.



DePaul and New Horizon Youth Centre partnered to utilise our Hounslow Central building to create 'Hub 18-24' – a dedicated service for young people aged 18-24 experiencing or at risk of experiencing homelessness.



This charity has been able to provide refuge and support to women escaping violence through our buildings since September 2021.



Robes took up allocation of rooms at our Davies Court site to deliver night shelter services between October 2021 and March 2022.

"Being able to utilise Holland House has been instrumental in allowing us to bring 125 people from the street into the assessment centre. We were able to provide an additional 15 emergency health bed spaces during this period and successfully moved 85 people from Holland House into accommodation, achieving a 73% positive move-on in this period. We can't thank LHA enough for the support we have received from the team and are incredibly grateful to have been given the opportunity to provide our service out of Holland House while we undertook our refurbishment. It has been such a pleasure working with you all, and I do hope we can continue to build our relationship with LHA for the future."

Midori Hol, Head of Housing and Progression, The Passage

For more information on our repurposing projects, please visit www.lhalondon.com/our-programmes/

Project 25

Very much in its infancy, Project 25 is a legacy project born out of the pandemic. During our outreach work around the repurposing of our hostels, we identified a longer-term need to identify a percentage of our single rooms for reservation specifically for the provision of move-on accommodation for young people.

A recurring theme through our conversations was the particular challenges faced by young people (under the age of 35) experiencing single person homelessness – both through the limitations imposed on them due to the benefits cap and the maximum housing allowance they are able to claim, and the severe lack of move-on accommodation once individuals complete a period in supported accommodation and are ready for independent living.

In early 2022, we identified an opportunity, through the network of charities we have built, to develop a concept for allocating a percentage of our single rooms subsidised specifically for use by young people under 30 years of age who are seeking move-on accommodation after having completed a period in a supported hostel or other accommodation.

We initially offered 25 of our single bedrooms at a subsidised all-inclusive rate of £150 per week to a select number of referring charities in order to test the concept.

During 2021/22, there have been eight people referred to the scheme and a total of 1129 overnights have been recorded. We will be trialling the concept further in 2022/23 to better understand how to achieve the best impact for beneficiaries.



Looking Ahead

Although we're hugely proud of the social impact which we've been able to highlight in this report and the demonstrable growth of our social impact compared to last year, we're acutely aware there is still so much more we can do. Therefore, priorities for our 2022/23 plan include the following:

Growing Our Bed Numbers

Growing our bed numbers will deliver huge growth in our social impact, and we will continue our focus on identifying and establishing new LHA hostels in London.

LHA Fund Review

As the LHA Fund approaches its ten-year anniversary, we will be carrying out a strategic review of the fund to ensure we're maximising its social impact and providing meaningful support to grant recipients.

Fostering Friendship

A standout from this year's report is the potential to do more to foster friendships and improve the sense of community among LHA residents. We will be looking to move our overall score in this area from 63 to over 67.

Project 25

We will further develop our Project 25 concept and grow the network of referrers to ensure the project reaches capacity.

Volunteering Scheme

The volunteer scheme is one of our activities where we have the greatest social impact. The profile of and activities carried out by our volunteers are shifting due to changing external factors. We will carry out a review of the entire volunteer life cycle and establish a plan for continuous improvement so that the scheme can continue to go from strength to strength.

Measuring Social Impact

The journey of how we measure our social impact will continue, and we will look to establish real-time measurements and conduct more focused case studies of our activities alongside our annual survey.

Looking Ahead



Trustees' Review and Strategic Report

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 on 30 September 2022 and the Statement of Financial Activities for the year ending on that date, approved by the Board of Trustees, on 28 February 2023. 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 5 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 2021/2022, as cited in the Memorandum and Articles of Association, Para 60 (1).

Strategic Report

The charity achieved surplus net incoming resources before transfers of £4,255,721 (2021; £1,741,270), which is approx £500,000 over budget due to increased occupancy but taking into account losses on sale of investments.

There was a spend of approximately £890,588 (2021; £666,168) on repairs and maintenance.

Donations of £276,810 (2021; £383,833) were made during the year.



Trustees' Review and Strategic Report

Investments

Barclays Wealth and HSBC were the managers of the charity's 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 their value over time. Because 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 while 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 its investment approach and has accepted a degree of risk to its 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).

It should be noted that there is no specified exposure limit at the sector or country level. However, the Committee reserves the right to set this if it feels 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 its 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.

In line with the above policy, the Board decided to sell the investments due to the increasing volatility in the market as well as its main objective of finding a suitable property to create more beneficiary beds.

The cash generated from investments is currently being placed in short-term deposits to maximise interest returns.

Trustees' Review and Strategic Report

Fixed Assets

Around £400,000 was spent on Bowden Court for bedroom upgrades and refurbishment of showers and toilets. Additional works included a lift refurbishment and a new servery.

Davies Court saw improvements to the showers and toilets in Foundation Court at the cost of £91,000. Investigations have started to review options to improve the cladding at Davies Court.

The planning works started at Holland House, which will see refurbishment in 2022/23 before the site reopens to LHA residents after being re-purposed during COVID-19. Major electrical works were carried out across several sites at the cost of £698,000. The remaining sites will be completed in 2022/23.

A sum of £37,000 was spent on creating offices and a meeting room at the new Central Office in Wilton Road, Victoria.

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 £12,491,557 compared with the previous year's surplus of £3,377,609. This was after allowing for realised and unrealised gains on investments and the actuarial gain on the charity's pension scheme, which was a loss of £1,252,959 and a gain of £42,000 respectively, compared to the 2021 gains of £2,638,599 and £1,391,000. In 2022, there was also an evaluation of the LHA properties, resulting in a gain of £9,446,795.



Trustees' Review and Strategic Report

Reserves

As of 30 September 2022, Charitable Funds stand at £30,318,867 and Designated Funds at £249,942,480. Within Designated Funds, there is a fixed asset reserve of £249,942,480, 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. The reserves in the profit and loss account of LHA Services Ltd, the subsidiary company, were £299,899 as at 30 September 2022, compared to £211,674 in 2021.

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.

Our reserves policy is reviewed annually when we review our sources of income and balancing the impact of future plans, 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 £4.5m. Our current reserve levels are higher than this because we expected to start two major projects. One of the projects has now been put on permanent hold due to escalating building costs. The other project a roof extension at Friendship House is being prepared for planning. The newly appointed Director of Estates is actively looking for suitable properties so it seems appropriate to hold larger cash balances to enable LHA to expand its portfolio.



Trustees' Review and Strategic Report

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 conducting 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 2022. The trustees have also examined other operation business risks faced by the charity and confirmed they have established systems to mitigate significant risks. The Finance Audit and Risk Committee reviews and updates the Trustee Board as necessary and have identified the following as high risk:

Inflationary pressures on utility, labour and supply chain costs

The following actions have been taken to mitigate this risk.

LHA has made prudent budget assumptions for both the 2022-23 financial year and within the five-year strategic plan. The Board has also strengthened the Executive Management Team with the recruitment of a Director of Estates. The new role will involve overseeing the long-term sustainability targets of the charity and focusing on the initiatives available to offset rising utility costs.

Food and labour cost have also been carefully budgeted and monitored, and with the support of the successful volunteer programme, the charity will continue to provide the appropriate level of support within its operational activities.



Trustees' Review and Strategic Report

LHA Services Limited for 2021/22

LHA Services Ltd (LHAS), wholly owned by the charity and acting under a licence and agreement signed in 1991, fills casual room vacancies, particularly in holiday times and between long-term bookings.

The rental and management fees were suspended as a result of the pandemic. This suspension was reviewed in 2021/22 because there was a material increase in short-term bookings and then was re-introduced. LHAS has a taxable trading surplus and, in accordance with the covenant signed on 1st October 1997, an amount of £137,365 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 Statements of Recommended Practice (SORPs).
- 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 a 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
28 February 2023

Opinion

We have audited the financial statements of LHA London Limited (the 'parent company') and its subsidiary ('the group') for the year ended 30 September 2022 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 charity's affairs as at 30 September 2022 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 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 contained within the annual report. 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.

LHA London Limited
Independent auditor's report to the members of LHA London Limited

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 this gives rise to a material misstatement in the financial statements themselves. 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 and 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 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, 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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 sector, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006, and the Charities Act 2011.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks 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 the valuation of property, income recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

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.

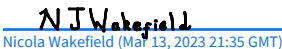
There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, 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. 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 13, 2023 21:35 GMT)

Nicola Wakefield (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

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

Date: 13-Mar-2023

LHA London Limited
Financial statements for the year ended 30 September 2022
Consolidated statement of financial activities

| | Notes | General Funds £ | Designated Funds £ | Total 2022 £ | Total 2021 £ |
|----------------------------------------------------|-------|-----------------------|--------------------------|--------------------|--------------------|
| Income | | | | | |
| <i>Income from charitable activities:</i> | | | | | |
| Operation of hostels | | 13,521,194 | - | 13,521,194 | 8,689,201 |
| <i>Income from other trading activities</i> | 4 | 270,768 | - | 270,768 | 62,773 |
| <i>Income from investments</i> | | 367,633 | - | 367,633 | 299,157 |
| Total income | | 14,159,595 | - | 14,159,595 | 9,051,131 |
| Expenditure | | | | | |
| <i>Raising funds:</i> | | | | | |
| Commercial trading operations | | 133,730 | - | 133,730 | 12,736 |
| Investment management fees | | 41,723 | - | 41,723 | 106,634 |
| <i>Charitable activities:</i> | | | | | |
| Operation of hostels | 5 | 9,728,421 | - | 9,728,421 | 7,190,491 |
| Total expenditure | | 9,903,874 | - | 9,903,874 | 7,309,861 |
| Net income before transfers | | 4,255,721 | - | 4,255,721 | 1,741,270 |
| Gross transfers between funds | | (84,761) | 84,761 | - | - |
| Net income after transfers | | 4,170,960 | 84,761 | 4,255,721 | 1,741,270 |
| Revaluation of property | 10 | - | 9,446,795 | 9,446,795 | (2,288,260) |
| (Losses)/Gains on investment assets | 11 | (1,252,959) | - | (1,252,959) | 2,638,599 |
| Net income before actuarial movements | | 2,918,001 | 9,531,556 | 12,449,557 | 2,091,609 |
| Actuarial gain on pension scheme | 15 | 42,000 | - | 42,000 | 1,286,000 |
| Net movement in funds | | 2,960,001 | 9,531,556 | 12,491,557 | 3,377,609 |
| Fund balances brought forward at 1 October 2021 | | 27,358,866 | 240,410,924 | 267,769,790 | 264,392,181 |
| Fund balances carried forward at 30 September 2022 | | 30,318,867 | 249,942,480 | 280,261,347 | 267,769,790 |

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 2022
Balance sheets

| | | ----- Group----- | | ----- Charity ----- | |
|-------------------------------------------------------|-------|--------------------|--------------------|---------------------|--------------------|
| | Notes | 2022 | 2021 | 2022 | 2021 |
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Intangible assets | 9 | 3,029 | 7,574 | 3,029 | 7,574 |
| Tangible assets | 10 | 249,942,480 | 240,410,924 | 249,942,480 | 240,410,924 |
| Investments | 11 | - | 24,523,411 | 150,000 | 24,673,411 |
| | | <u>249,945,509</u> | <u>264,941,909</u> | <u>250,095,509</u> | <u>265,091,909</u> |
| Current assets | | | | | |
| Stocks | 12 | 11,594 | 9,830 | 11,594 | 9,830 |
| Debtors | 13 | 574,768 | 838,665 | 649,406 | 838,665 |
| Cash at bank and in hand | | <u>32,651,971</u> | <u>4,099,048</u> | <u>32,263,006</u> | <u>3,892,649</u> |
| | | 33,238,333 | 4,947,543 | 32,924,006 | 4,741,144 |
| Creditors: amounts falling due within one year | 14 | (2,922,495) | (2,077,662) | (2,908,057) | (2,082,937) |
| Net current assets | | <u>30,315,838</u> | <u>2,869,881</u> | <u>30,015,949</u> | <u>2,658,207</u> |
| Total assets less current liabilities | | <u>280,261,347</u> | <u>267,811,790</u> | <u>280,111,458</u> | <u>267,750,116</u> |
| Pension (liability) | 15 | - | (42,000) | - | (42,000) |
| Net assets | | <u>280,261,347</u> | <u>267,769,790</u> | <u>280,111,458</u> | <u>267,708,116</u> |
| The funds of the charity | | | | | |
| Unrestricted funds: | | | | | |
| General | | 30,318,867 | 27,358,866 | 30,168,978 | 27,297,192 |
| Designated | 16 | <u>249,942,480</u> | <u>240,410,924</u> | <u>249,942,480</u> | <u>240,410,924</u> |
| | 17 | <u>280,261,347</u> | <u>267,769,790</u> | <u>280,111,458</u> | <u>267,708,116</u> |

The financial statements were approved by the Trustees on 28 February 2023 and signed on their behalf by:



P Frackiewicz
Trustee



D Conroy
Trustee

LHA London Limited
Financial statements for the year ended 30 September 2022
Consolidated Statement of Cash Flows

| | 2022 | 2021 |
|----------------------------------------------------------------------------------|-------------------|--------------------|
| | £ | £ |
| Reconciliation of net income to net cash inflow from operating activities | | |
| Net income for the year | 12,491,557 | 3,377,609 |
| Depreciation charges | 841,006 | 794,756 |
| Amortisation charge | 4,545 | 4,545 |
| Loss/(Gain) on disposal of fixed assets | 1,136,833 | (2,598) |
| (Gain)/loss on revaluation of fixed assets | (9,446,795) | 2,288,260 |
| Loss/(gain) on investment assets | 1,252,959 | (2,638,599) |
| (Increase)/decrease in stocks | (1,764) | 1,019 |
| Decrease/(increase) in debtors | 263,897 | (288,469) |
| Increase in creditors | 844,833 | 548,055 |
| (Decrease) in pension liability | (42,000) | (1,249,000) |
| Net cash generated from operating activities | <u>7,345,071</u> | <u>2,835,578</u> |
| Investing activities | | |
| Purchase of tangible fixed assets | (2,062,600) | (1,351,902) |
| Purchase of investments | (7,108,689) | (16,586,460) |
| Proceeds from sale of investments | 30,379,141 | 10,941,570 |
| Net cash generated from/(used in) investing activities | 21,207,852 | (6,996,792) |
| Net cash inflow/(outflow) | <u>28,552,923</u> | <u>(4,161,214)</u> |
| Increase/(decrease) in cash in the period | 28,552,923 | (4,161,214) |
| Cash and cash equivalents at 1 October 2021 | <u>4,099,048</u> | <u>8,260,262</u> |
| Cash and cash equivalents at 30 September 2022 | <u>32,651,971</u> | <u>4,099,048</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 financial statements.

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 estimates and assumptions 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:

| | 2022 | 2021 |
|-----------------------------------------------|-------------|-------------|
| | £ | £ |
| Total income | 14,027,650 | 8,997,465 |
| Total expenditure on charitable activities | (9,818,421) | (7,190,491) |
| Investment managers' fees | (41,723) | (106,634) |
| Investment (losses)/gains | (1,252,959) | 2,638,599 |
| Revaluation of property | 9,446,795 | (2,288,260) |
| Actuarial gain on final salary pension scheme | 42,000 | 1,286,000 |
| Net income | 12,403,342 | 3,336,679 |
| Total funds brought forward | 267,708,116 | 264,371,437 |
| Total funds carried forward | 280,111,458 | 267,708,116 |
| Represented by: | | |
| General funds | 30,168,978 | 27,297,192 |
| Designated funds | 249,942,480 | 240,410,924 |
| | 280,111,458 | 267,708,116 |

4 Income from other trading activities

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

| Profit and Loss Account | 2022 | 2021 |
|-------------------------------------------|------------------|-----------------|
| | £ | £ |
| Turnover | 270,768 | 62,773 |
| Cost of sales and administrative expenses | <u>(133,730)</u> | <u>(12,736)</u> |
| Gross profit | 137,038 | 50,037 |
| Interest receivable | <u>327</u> | <u>18</u> |
| Net profit | 137,365 | 50,055 |
| Amount distributed to LHA London Limited | <u>(49,150)</u> | <u>(9,125)</u> |
| Retained profit in subsidiary | <u>88,215</u> | <u>40,930</u> |

The assets and liabilities of the subsidiary were:

| | 2022 | 2021 |
|------------------------------------------------|-----------------|----------------|
| | £ | £ |
| Current assets | 388,965 | 221,198 |
| Creditors: amounts falling due within one year | <u>(89,076)</u> | <u>(9,524)</u> |
| Total net assets | <u>299,889</u> | <u>211,674</u> |
| Aggregate share capital and reserves | <u>299,889</u> | <u>211,674</u> |

Included in administrative expenses are rent of £24,000 (2021 - £nil) and management charges of £66,000 (2021 - £nil) payable to LHA London Limited and these charges have been eliminated on consolidation.

Analysis of charitable expenditure

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5

| | Staff costs (note 8) £ | Other £ | Depreciation (notes 9&10) £ | Total 2022 £ | Total 2021 £ |
|-------------------------------|---------------------------------------------------|--------------------------|------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Charitable expenditure | | | | | |
| House operating costs | 1,739,925 | 3,763,850 | 785,677 | 6,289,452 | 5,357,300 |
| Support costs | 1,386,181 | 1,684,146 | 55,329 | 3,125,656 | 1,411,735 |
| Governance costs (note 6) | - | 36,503 | - | 36,503 | 37,623 |
| Donations (note 7) | - | 276,810 | - | 276,810 | 383,833 |
| Total | 3,126,106 | 5,761,309 | 841,006 | 9,728,421 | 7,190,491 |

| Charitable expenditure | House operating costs £ | Support costs £ | Total 2022 £ | Total 2021 £ |
|----------------------------------------|--------------------------------------------------------------|--------------------------------------------|-----------------------------------------|-----------------------------------------|
| Details of other costs | | | | |
| Repairs & maintenance | 887,588 | 3,000 | 890,588 | 666,168 |
| Utilities | 1,122,941 | 1,805 | 1,124,746 | 767,432 |
| Catering | 196,529 | - | 196,529 | 124,545 |
| Insurance | 266,958 | 7,450 | 274,408 | 196,511 |
| Security | 212,822 | - | 212,822 | 182,195 |
| Rent and rates | 111,415 | 30,046 | 141,461 | 261,902 |
| Cleaning, laundry, waste, pest control | 671,714 | 908 | 672,622 | 401,008 |
| Other costs | 293,883 | 1,640,937 | 1,934,820 | 731,485 |
| | 3,763,850 | 1,684,146 | 5,447,996 | 3,331,246 |
| Governance costs (note 6) | | | 36,503 | 37,623 |
| Donations (note 7) | | | 276,810 | 383,833 |
| Total other costs | | | 5,761,309 | 3,752,702 |

6 Governance costs

| Governance costs include: | 2022 £ | 2021 £ |
|-------------------------------------------------------|-------------------------|-------------------------|
| Audit fees | 21,895 | 21,045 |
| Insurance against Trustees' and Officers' liabilities | 13,907 | 16,578 |
| Trustees' expenses | 701 | - |
| | 36,503 | 37,623 |

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7 Donations

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

| | 2022 £ | 2021 £ |
|-------------------------------|------------------|------------------|
| Albert Kennedy Trust | 28,810 | 28,000 |
| New Horizons | - | 30,000 |
| Glass Door | - | 20,000 |
| C4WS | 30,000 | 30,000 |
| The Spires Centre | 30,000 | 30,000 |
| St Mary Le Bow | - | 14,000 |
| Evolve | 25,000 | 25,000 |
| Zacchaeus 2k Trust | 25,000 | 38,333 |
| Project Seventeen | 20,000 | 20,000 |
| Women & Girls Network | 25,000 | 25,500 |
| Refugees at Home | 16,000 | 16,000 |
| BEAM | 29,000 | 29,000 |
| Cardinal Hume | 28,000 | 28,000 |
| Bromley & Croydon Women's Aid | 20,000 | 20,000 |
| Single Homeless Project | - | 20,000 |
| Whitechapel Mission | - | 10,000 |
| | <u>276,810</u> | <u>383,833</u> |

8 Staff costs

| | 2022 £ | 2021 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 2,228,682 | 2,130,860 |
| Social security costs | 218,955 | 195,935 |
| Other pension costs | 678,469 | 311,693 |
| | <u>3,126,106</u> | <u>2,638,488</u> |

Average number of employees during the year

| | | |
|--------------------------|-----------|-----------|
| Head office staff | 16 | 16 |
| Direct maintenance staff | 6 | 5 |
| Hostel staff | 52 | 51 |
| | <u>74</u> | <u>72</u> |

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

| | | |
|---------------------|---|---|
| £60,000 - £70,000 | 1 | 1 |
| £70,000 - £80,000 | 1 | - |
| £80,000 - £90,000 | 1 | - |
| £130,000 - £140,000 | 1 | 1 |
| £140,000 - £150,000 | 1 | - |
| £160,000 - £170,000 | - | 1 |

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The total of employee benefits, including employer pension contributions received by Key Management Personnel in 2022 is £473,436 (2021: £418,670). Key Management Personnel are the Chief Executive Officer, Finance Director, Director of Estates and Director of Operations.

9 Intangible fixed assets – Group & Charity

| | Website |
|-----------------------------|----------------|
| Cost | |
| At 1 October 2021 | 22,723 |
| Additions | - |
| Disposals | - |
| At 30 September 2022 | <u>22,723</u> |
| Amortisation | |
| At 1 October 2021 | 15,149 |
| Charge for the year | 4,545 |
| Released on disposal | - |
| At 30 September 2022 | <u>19,694</u> |
| Net book value | |
| At 30 September 2022 | <u>3,029</u> |
| At 30 September 2021 | <u>7,574</u> |

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10 Tangible fixed assets – Group and Charity

| | Freehold land and buildings | Leasehold land and buildings | Property improvements | Plant and machinery | Total |
|-----------------------|----------------------------------------|---------------------------------------------|----------------------------------|--------------------------------|--------------------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 October 2021 | 225,316,210 | 9,712,581 | 15,476,569 | 1,322,072 | 251,827,432 |
| Additions | - | - | 2,062,600 | - | 2,062,600 |
| Disposals/write off | - | - | (1,104,365) | (193,961) | (1,298,326) |
| Transfers | - | - | - | - | - |
| Revaluation | 9,296,955 | 149,840 | - | - | 9,446,795 |
| At 30 September 2022 | <u>234,613,165</u> | <u>9,862,421</u> | <u>16,434,804</u> | <u>1,128,111</u> | <u>262,038,501</u> |
| Depreciation | | | | | |
| At 1 October 2021 | - | - | 10,348,393 | 1,068,115 | 11,416,508 |
| Charge for the year | - | - | 785,675 | 55,331 | 841,006 |
| On disposals | - | - | - | (161,493) | (161,493) |
| At 30 September 2022 | <u>-</u> | <u>-</u> | <u>11,134,068</u> | <u>961,953</u> | <u>12,096,021</u> |
| Net book value | | | | | |
| At 30 September 2022 | <u>234,613,165</u> | <u>9,862,421</u> | <u>5,300,736</u> | <u>166,158</u> | <u>249,942,480</u> |
| At 30 September 2021 | <u>225,316,210</u> | <u>9,712,581</u> | <u>5,128,176</u> | <u>253,957</u> | <u>240,410,924</u> |

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). The valuation of the properties were updated in 2021/22 using House Prices Index, resulting in a revaluation of £9,446,795.

Property improvements include £107,418 (2021: £856,967) of assets under construction.

| 11 Investments | Investments in subsidiary undertakings | Other investments | Total | |
|----------------------------------------------------------|-------------------------------------------------|----------------------------|--------------|-------------|
| | £ | £ | £ | |
| Market value | | | | |
| At 1 October 2021 | 150,000 | 24,523,411 | 24,673,411 | |
| Additions | - | 7,108,689 | 7,108,689 | |
| Disposals | - | (30,379,141) | (30,379,141) | |
| Net (losses) for the year | - | (1,252,959) | (1,252,959) | |
| At 30 September 2022 | 150,000 | - | 150,000 | |
| Historic cost at 30 September 2022 | 150,000 | - | 150,000 | |
| 12 Stocks | ----- Group ----- | ----- Charity ----- | 2022 | 2021 |
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Household equipment and food | 11,594 | 9,830 | 11,594 | 9,830 |
| 13 Debtors | ----- Group ----- | ----- Charity ----- | 2022 | 2021 |
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Trade debtors | 87,386 | 223,947 | 87,386 | 223,947 |
| Other debtors | 41,983 | 6,189 | 41,983 | 6,189 |
| Amounts owed from group companies | - | - | 74,638 | - |
| VAT recoverable | 59,724 | 136,631 | 59,724 | 136,631 |
| Prepayments and accrued income | 385,675 | 471,898 | 385,675 | 471,898 |
| | 574,768 | 838,665 | 649,406 | 838,665 |
| 14 Creditors: amounts falling due within one year | ----- Group ----- | ----- Charity ----- | 2022 | 2021 |
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Trade creditors | 1,119,718 | 722,940 | 1,118,835 | 722,940 |
| Other taxes and social security costs | 85,540 | 47,185 | 85,540 | 47,185 |
| Amounts owed to group companies | - | - | - | 14,799 |
| Other creditors | 28,438 | - | 28,438 | - |
| Fees and deposits in advance | 779,340 | 830,356 | 779,340 | 828,531 |
| Accruals | 909,459 | 477,181 | 895,904 | 469,482 |
| | 2,922,495 | 2,077,662 | 2,908,057 | 2,082,937 |
| 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 £135,328 (2021: £116,121).

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 2021 and updated to 30 September 2022 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 41.3% of pensionable pay following the actuary valuation on 1st April 2021.

Present values of scheme liabilities, fair value of assets and surplus/(deficit)

| | At 30/9/22 | At 30/9/21 | At 30/9/20 |
|-------------------------------------|-------------------|-------------------|-------------------|
| | £'000 | £'000 | £'000 |
| Fair value of scheme assets | 9,327 | 10,911 | 10,016 |
| Present value of scheme liabilities | (5,547) | (10,953) | (11,307) |
| Surplus/(Deficit) in scheme | 3,780 | (42) | (1,291) |

15 Pension commitments (continued)

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

| | 2022 | 2021 |
|-----------------------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Scheme liabilities at start of period | 10,953 | 11,307 |
| Current service cost | 102 | 123 |
| Interest cost | 222 | 180 |
| Actuarial (gains) | (5,895) | (806) |
| Experienced losses on liabilities | 358 | 217 |
| Changes to demographic assumptions | 27 | - |
| Benefits paid & death in service insurance premiums | (220) | (68) |
| Scheme liabilities at end of period | 5,547 | 10,953 |

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

| | | |
|------------------------------------------------|---------|--------|
| Fair value of scheme assets at start of period | 10,911 | 10,016 |
| Interest on assets | 226 | 161 |
| Expected return on scheme assets | (2,029) | 697 |
| Contributions by employer | 439 | 105 |
| Benefits paid | (220) | (68) |
| Fair value of scheme assets at end of period | 9,327 | 10,911 |

The actual return on the scheme assets over the year ending 30 September 2022 was (£1,803,000) (2021: £858,000).

Total expense recognised in the statement of financial activities

| | | |
|-------------------------------------------------------------------|-------|-------|
| Current service cost | 102 | 123 |
| Interest cost | 222 | 180 |
| Expected return on scheme assets | (226) | (161) |
| Total expense recognised in the statement of financial activities | 98 | 142 |

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 £1,707,000 (2021: £1,749,000).

15 Pension commitments (continued)

| Assets | 2022 | 2021 | 2020 |
|---------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 |
| Total assets | 9,327 | 10,911 | 10,016 |

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:

| | 2022 | 2021 |
|------------------------------------------|--------------------|--------------------|
| | % per annum | % per annum |
| Rate of discount | 5.30 | 2.05 |
| Inflation (RPI) | 3.50 | 3.45 |
| Inflation (CPI) | 2.90 | 2.85 |
| Salary increases | 2.90 | 2.85 |
| Pension increases | | |
| Accrued before 1 July 2016 | 5.00 | 5.00 |
| Accrued after 1 July 2016 | 2.90 | 2.85 |
| Revaluation rate for deferred pensioners | 5.00 | 5.00 |
| Commutation | Nil | Nil |

Life expectancy

| | | |
|-----------------------------------|------|------|
| Male retiring at age 65 in 2022 | 22.3 | 22.1 |
| Female retiring at age 65 in 2022 | 24.6 | 24.5 |
| Male retiring at age 65 in 2042 | 23.3 | 23.4 |
| Female retiring at age 65 in 2042 | 25.7 | 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 5.3% per annum (2021: 2.4%).

15 Pension commitments (continued)

Amounts for the current and previous four periods

| | 2022 | 2021 | 2020 | 2019 |
|---------------------------------------------|---------|----------|----------|----------|
| | £'000 | £'000 | £'000 | £'000 |
| Fair value of assets | 9,327 | 10,911 | 10,016 | 10,244 |
| Present value of scheme liabilities | (5,547) | (10,953) | (11,307) | (10,296) |
| Surplus/(Deficit) in scheme | 3,780 | (42) | (1,291) | (52) |
| Experience adjustment on scheme assets | - | - | (396) | 301 |
| Experience adjustment on scheme liabilities | (358) | (217) | - | - |

16 Designated funds

| | Balance at 1 October 2021 | Transfers | Revaluation | Balance at 30 September 2022 |
|---------------------|------------------------------|-----------|-------------|------------------------------------|
| | £ | £ | £ | £ |
| Fixed asset reserve | 240,410,924 | 84,761 | 9,446,795 | 249,942,480 |
| | 240,410,924 | 84,761 | 9,446,795 | 249,942,480 |

17 Analysis of group net assets between funds

| | General Funds £ | Designated Funds £ | Total Funds £ |
|-------------------------------|-----------------------|--------------------------|---------------------|
| Intangible fixed assets | 3,029 | - | 3,029 |
| Tangible fixed assets | - | 249,942,480 | 249,942,480 |
| Investments | - | - | - |
| Cash at bank and in hand | 32,651,971 | - | 32,651,971 |
| Other net current liabilities | (2,336,133) | - | (2,336,133) |
| Pension deficit | - | - | - |
| | 30,318,867 | 249,942,480 | 280,261,347 |

18 Operating lease commitments

At 30 September 2022 the group's commitments under non-cancellable operating leases were as follows:

| | Land & Buildings | |
|-------------------------|-----------------------------|-------------|
| | 2022 | 2021 |
| | £ | £ |
| Less than 1 year | 137,281 | 360 |
| Between 2 and 5 years | 472,397 | 1,440 |
| After more than 5 years | - | 27,093 |
| | <hr/> | <hr/> |
| Total | 609,678 | 28,893 |

At 30 September 2022, the group's had no capital commitments (2021: capital commitments related to the Hounslow site and Friendship House amounted to £363,433).

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 £701 (2021: £nil) were reimbursed to 6 (2021: nil) Trustees during the year.

Included in administrative expenses are rent of £24,000 (2021 - £nil) and management charges of £66,000 (2021 - £nil) payable to LHA London Limited by LHA Services Limited. The charges were eliminated on consolidation.