

2022-2023 Annual Report

Proud of our social impact



LhaLondon

the heart of London Living



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Chair & CEO's Statement



2023 was another great year for LHA as we continued to see record levels of occupancy and expand our bed numbers, delivering more low-cost accommodation across the Capital than ever before. This is reflected in another year of good performance. The Board has focused on improving both the framework and the culture for our governance and control environment. The Executive Management Team (EMT) led us to a full recovery from the impact of the COVID-19 pandemic. It enables and supports the charity's compliance with the law and relevant regulations. It also promotes a culture in which everything works towards fulfilling the charity's vision.

We have now established a focused set of key performance indicators (KPIs) that are tracked throughout the year which give us a clear focus on our short and long-term strategy. The Board believes this renewed focus will enable LHA to capitalise on the opportunities in our sector to deliver our long-term commitment to our objectives. Early progress against the strategy has been encouraging, and the Board is closely engaged with the management of its delivery. We are confident that LHA now has the framework to help shape our strategic priorities, particularly improving our pipeline of new acquisitions to increase our bed numbers, which is one of our main concerns. We also continue to invest in our existing hostel portfolio with major building repairs and refurbishment projects. In addition, we have invested further in our digital transformation and focused on our carbon neutrality assessment.

The Board is mindful of the unique value that LHA offers in London's low-cost accommodation sector, and we continue to monitor our weekly fees in the market. LHA prides itself on offering affordable and secure accommodation with an easy entry and exit framework, ultra-low deposits and a seven-day notice period.

The Board was pleased to see the annual Employee Engagement Survey results reflecting strong teamwork and morale. Remarkable service comes from remarkable people. The LHA Volunteer Scheme remains a key focus for the Board, and we were pleased to report over 800 placements in the year.

We continue to bring in new skills and capabilities to the Board. During the financial year, we welcomed Simon Tarr to the Board. Simon brings a wealth of experience to the People and Social Policy Committees. The Board also approved the appointment of co-opted members to join our Social Policy and Property Committees in late 2023. This would provide valuable specific expertise where needed.

We thank departing Trustees, Alec McTavish, Toyin Miller and Bonnie Chiu for their excellent contribution, both in their specialist areas of finance and social impact and, more broadly, in board governance. We also thank Ali Mohammed, chair of the People Committee, who stepped down from the Board at the end of December 2023. Elizabeth Nyawade joined us in December 2023 to chair the People Committee from early 2024.

Overall, our focus is on achieving and increasing our social impact which we describe in more detail later in this report. A major part of this has been led by the Social Policy Committee, which has reviewed the LHA Fund. This will provide significant grant aid funding to support small charities with similar objectives. Working together, we can increase our reach and make greater social impact.

We would like to thank all of LHA's employees and volunteers for their hard work throughout 2022-23 and look forwards to a successful 2024.

David Conroy
Chair of the Board of Trustees

Tony Perkins
Chief Executive & Company Secretary



Who We Are

As a charity and one of the Capital's leading and affordable accommodation providers, we run 13 properties in the heart of one of the world's most diverse and energetic cities – providing a central and safe base for young people to live their London life – whether that's for work, study or adventure.

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

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 with the provision of acquiring, establishing, maintaining and managing hostels that provide low-cost living accommodation for students and working people of limited means studying or working in the UK and Northern Ireland and to further any charitable purpose recognised by English Law by the provision of housing

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.

Welcoming



We act with integrity in everything we do.

Passionate



We are passionate about delivering an exceptional resident experience.

Open and honest



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

Professional



We take ownership when we should.

Knowledgeable

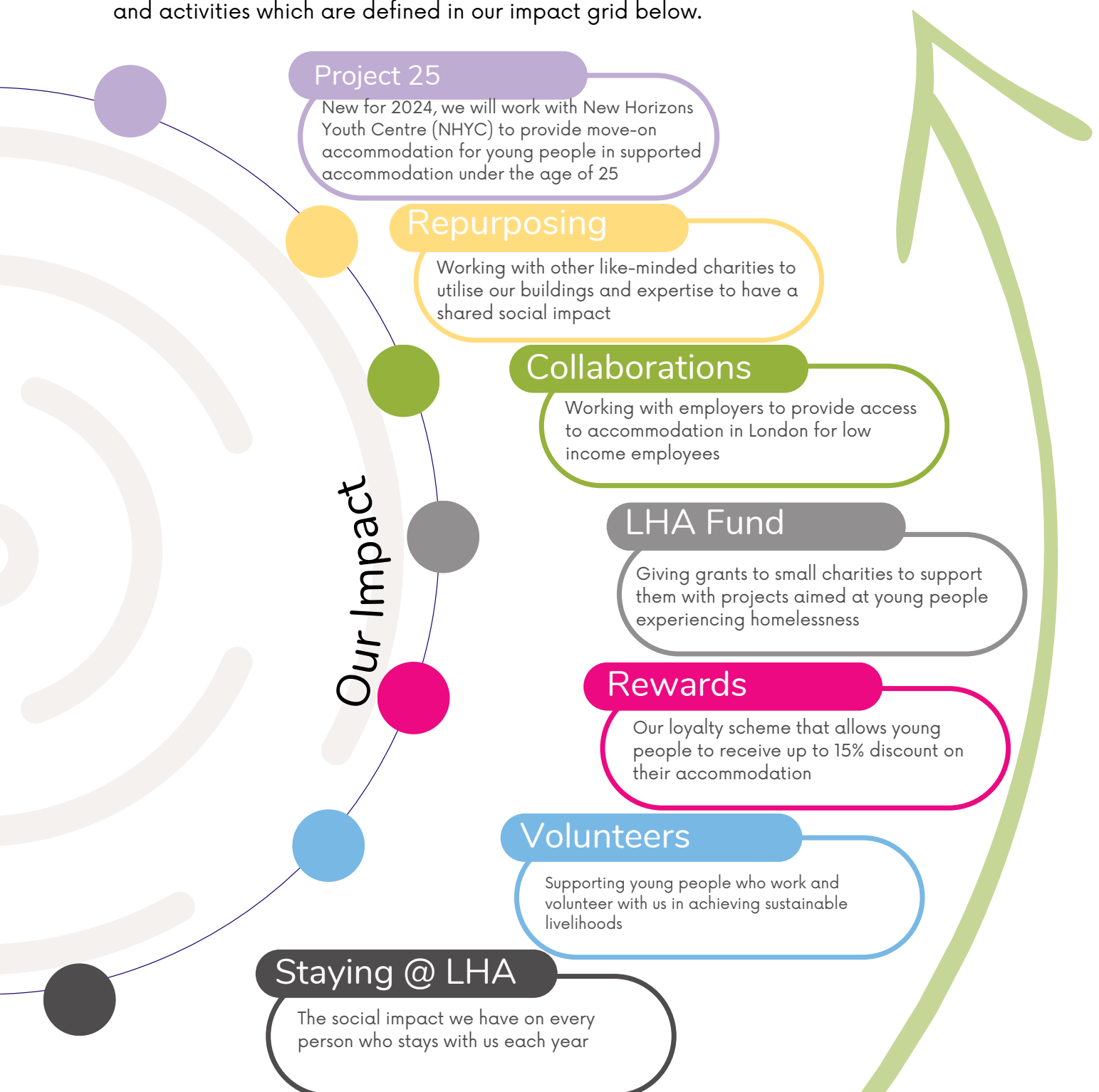


We take pride in our expertise.

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.

Our overall ambition is to ensure we generate positive social impact through all our places, programmes and activities. At the same time, we also want to champion the greater social impact we have achieved through some of our more focused programmes and activities which are defined in our impact grid below.



More information on our 'Theory of Change' and measurement of social impact can be found in the appendices at the end of this report.



Progress With Our Plans

Strategic Planning - Our Aims and Objectives

As part of LHA's strategic planning process and due to significant changes in external factors, including the cost-of-living crisis in a post-COVID-19/post-Brexit London during 2022/23, LHA took the opportunity to review its existing strategic plan, and targets, while also amalgamating the eight pillars of 'LHA's Sustainability Strategy' into the overall plan.

Strategic Aim

Over the next five years, we aim to grow our charity in size, shape and impact to achieve our long-term goal of delivering affordable, sustainable and high-quality accommodation.

Strategic Themes

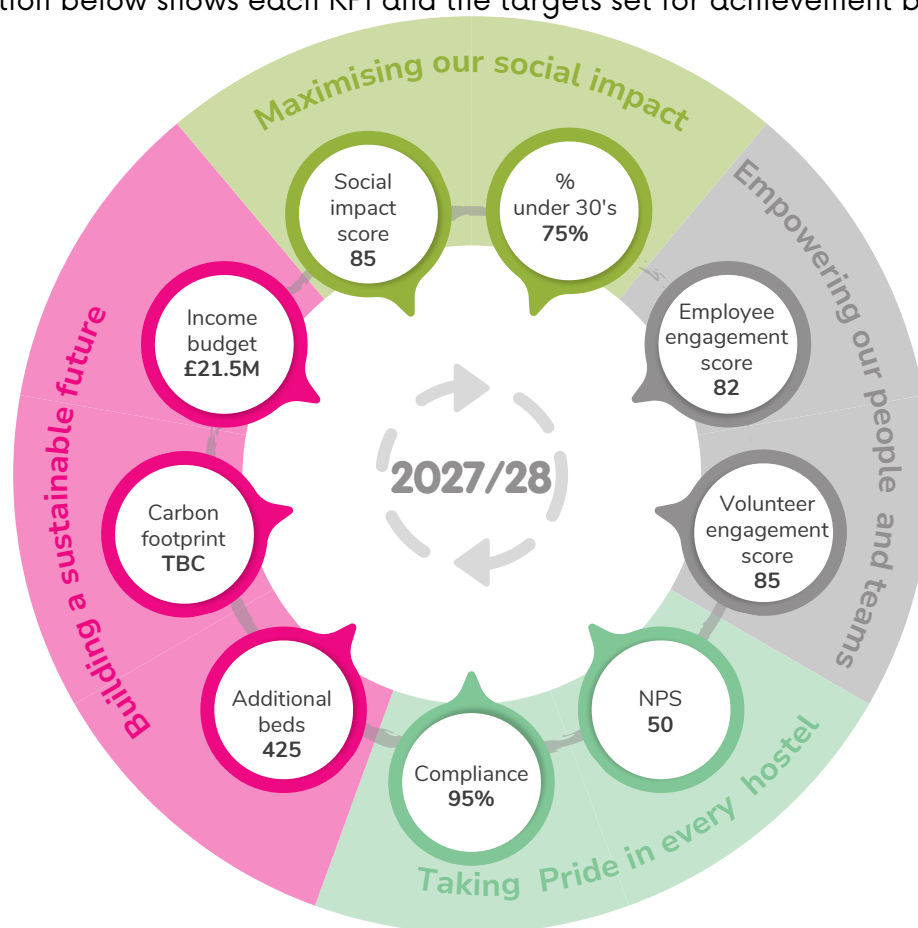
We will achieve this with the help of our four strategic themes:

1. Maximising our social impact
2. Empowering our people and teams
3. Taking pride in every hostel
4. Building a sustainable future

Tracking Our Progress

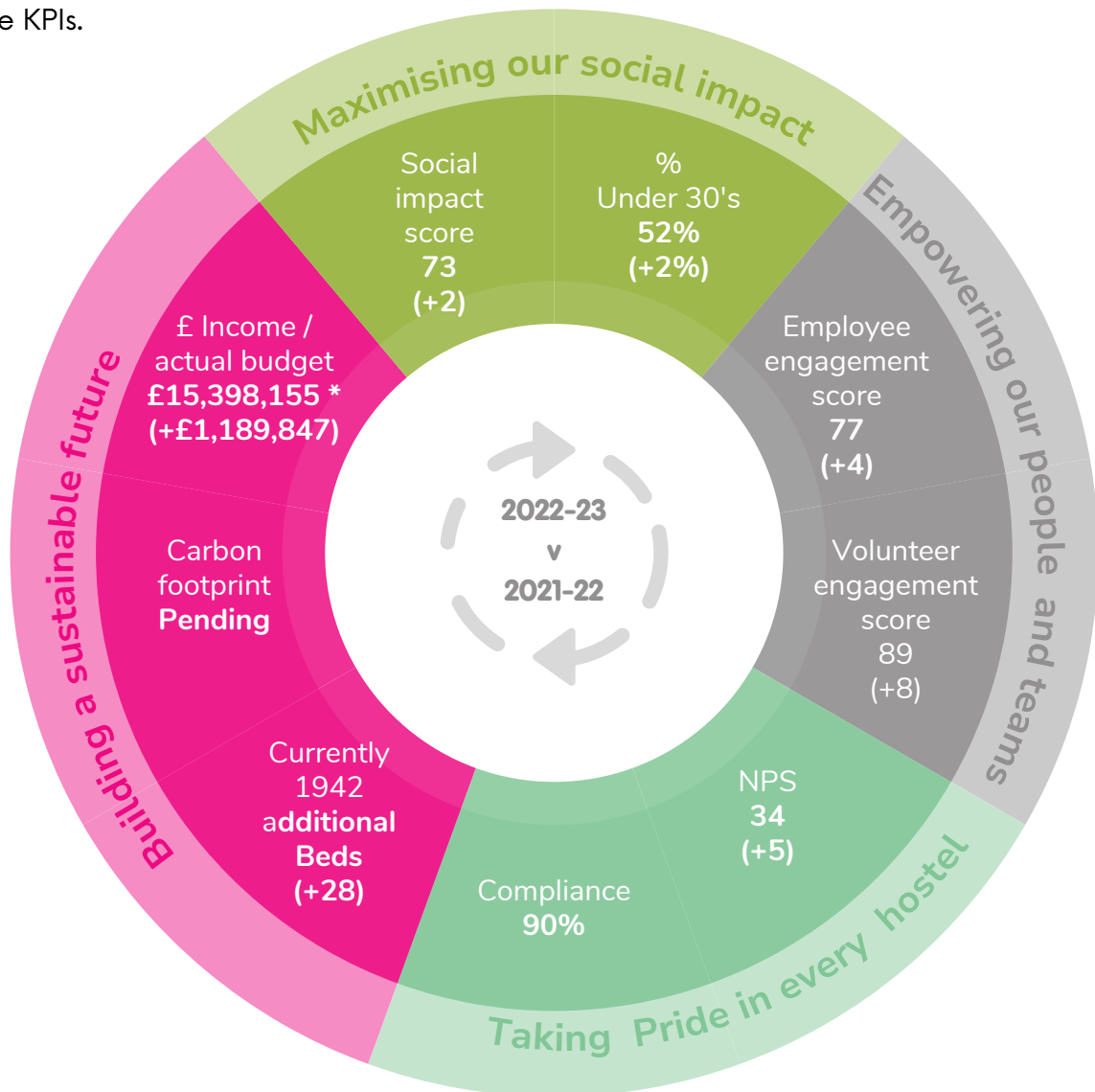
The trustees and EMT have aligned nine KPIs as part of a balanced scorecard to measure progress against our strategic goals and ensure we stay on track with delivering our plans.

The illustration below shows each KPI and the targets set for achievement by 2028.



Our Performance 2022-23

2022-23 was a foundation year during which we recorded the results below against the nine KPIs.



Comparing our results to the prior year (2021-22), we have made good progress against most KPIs whilst for some we have worked to establish the measurement to track future progress.

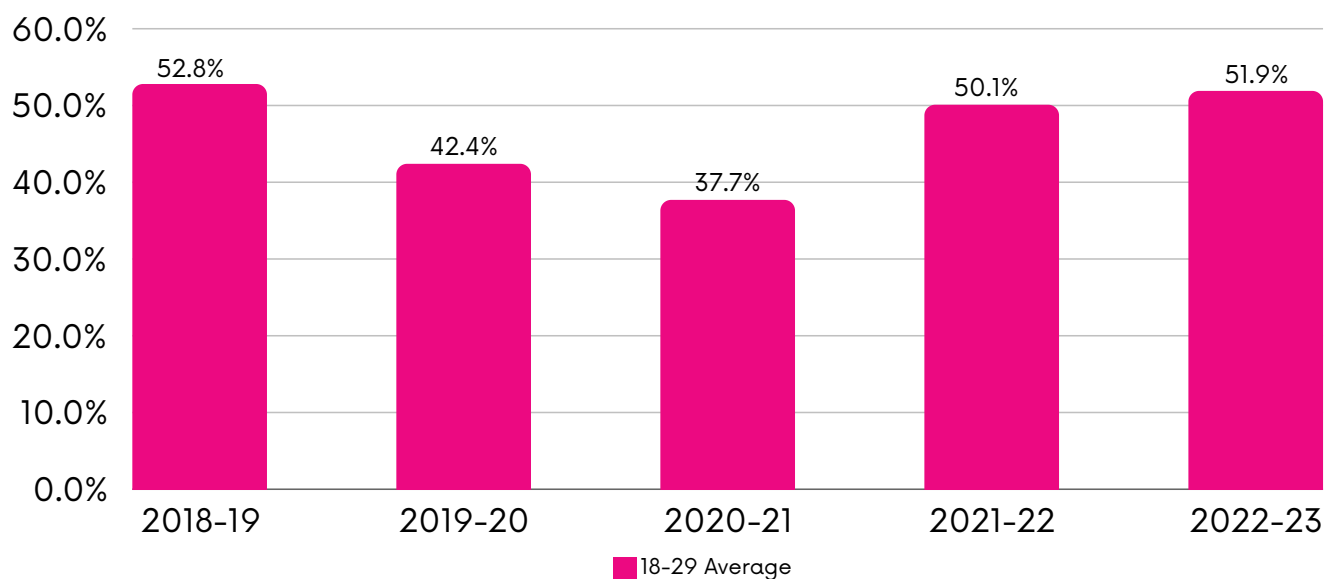
*Income from charitable and trading activities



Social Impact Score

Our overall social impact score increased from 72 to 73. Following last year's impact survey, we wanted to focus on the fostering friendships score. This is an area where we felt we could drive improvements and encourage our hostel teams to arrange and host events that would create social interaction. We were pleased to see the score in this area increase from 63 to 66. This will continue to be an area where we seek to further improve.

Percentage of under 30-year-olds



The percentage of residents under the age of 30 sits at 51.9% for the full year – up 1.8% on the previous year. Quarter 4 saw particularly strong improvements in this area, peaking at 58.2 % in September 2023. In the last two quarters of the year, we tracked at 6% better than the previous year.

Employee Engagement

	2023	2022
Overall engagement	77	73
Leadership	78	73
My team	87	N/A
Enablement	78	74
Alignment	78	71
Development	80	74
Reward & recognition	72	66

*Using RAG chart system

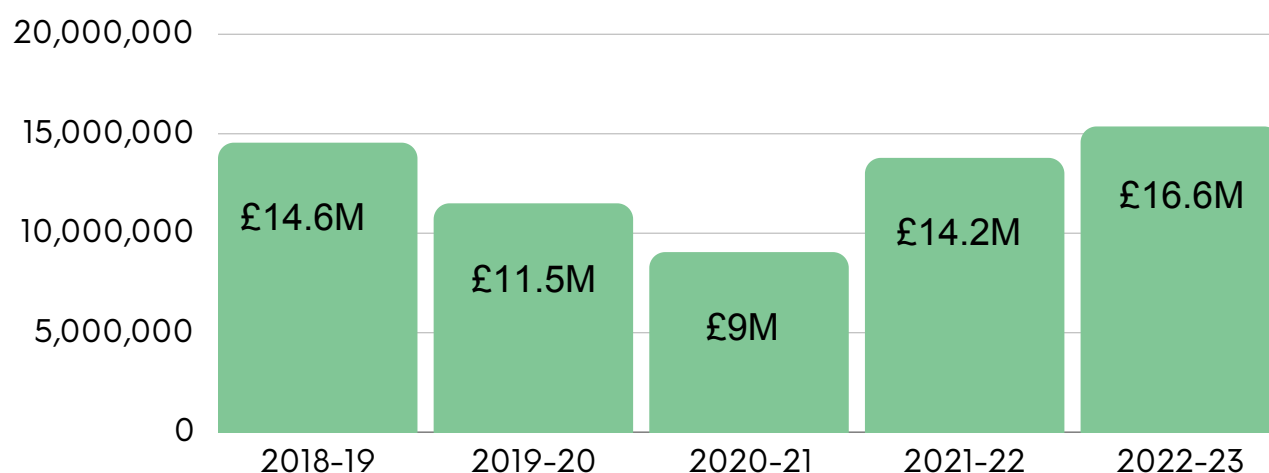
During the year, we focused on people development and reward & recognition, alongside establishing an employee forum, reviewing our equality, diversity and inclusion (EDI) strategy and ensuring performance reviews were linked to the overall strategic plan (alignment). Employee engagement scores exceeded expectations for the year, with an overall score of 77.

Volunteer Engagement

89

The reduction in the free movement of young people as a result of Brexit challenged us to find new ways to attract volunteers to the scheme and drove a need to review people's motivations for volunteering. We enabled improvements to the recruitment process through our customer relationship management and improved the onboarding process. The result was a better-than-expected, with an increase in engagement score from 81 to 89.

Income



Income for the year increased from £14.2 million to £16.6 million, thanks largely to a return to close to 100% occupancy throughout the year as well as the re-opening of LHA Holland House in January 2023.

Carbon Footprint

LHA is assessing and quantifying its carbon footprint – from the impact of its back-office functions and how its hostels are operated, to the hostel buildings themselves.

A carbon emissions report will result from this and will inform LHA's environmental policy and the actions LHA will take to reduce its carbon footprint; these interventions will be both operational and physical.

In the short term, LHA's goal is to achieve carbon carbon-neutral footprint, but it is incrementally reducing its real carbon load over the coming years. LHA recognises that undertaking some immediate changes will be required, i.e. making changes to the way we operate our business and hostels, while other adjustments will take longer, i.e. physical changes to our buildings. Therefore, LHA is committed to offsetting its carbon footprint in 2023/24 and will, therefore, become carbon neutral this year.

Compliance

We have continued to work with NSF International as our health and safety (H&S) consultants. During the year, we were able to make positive improvements to our bi-annual external audit process, moving to unannounced audit visits and introducing more robust scoring criteria. Following these changes, we were particularly pleased to see average audit scores for our properties at 90%.

Alongside the audit process we digitised our compliance documentation and processes for raising and tracking remedial actions as well as the storing of information. We have continued to monitor regulatory changes, particularly the Building Safety Act 2022, worked to ensure all our properties are compliant with the act and kept our teams well informed.

Looking Ahead

Following a review of this year's performance, we have been able to set targets for the year ahead, which are summarised below:



Additional Beds

Overall bed numbers reached 1,942, which is an increase of 28 beds – thanks largely to utilising the space at Holland House as part of the refurbishment works. We continued to focus on acquisitions as a key strand to driving significant increases in bed numbers as well as pursuing opportunities to expand capacity in the existing estate.

Despite considering a wide number of opportunities to increase its asset base, no acquisitions were made in 2022/23. However, we remain committed and confident of adding to the asset base and creating extra capacity in 2023/24. Along with acquiring additional stock, our programme of asset maximisation includes the extension of Friendship House in Southwark and remodelling across several other hostels. By the end of 2023/24, we expect to have acquired and planned for a minimum of 150 additional bedspaces.

Alongside our acquisitions plan, we have scoped a project focusing on our existing buildings 'Operation Boost', which will seek to maximise the available beds in our existing portfolio.

Under the revised plans we are aiming to add a total of 425 beds over the next five years, which will enable us to deliver 850,000 overnight stays per year to support our beneficiaries.



Investing in the Future

Over the last year, LHA has continued to invest in maintaining, improving and expanding its portfolio.

Belvedere House

Belvedere House is a landmark building located within the Cornwall Conservation Area. The Royal Borough of Kensington and Chelsea's Cornwall Conservation Appraisal outlines that the property makes a positive contribution to the historic and architectural character and appearance of the conservation area.

The houses that comprise the hostel were built between 1874-5, in what the Survey of London calls 'a raw variant of the French townhouse style briefly in vogue at this time'.

The triangular block has slightly different architectural detailing on each elevation with the most imposing frontage on Grenville Place. The pictures illustrate the polished red granite columns to the porches, decorative cast iron balconies to the upper windows and the fine tall French-style roofs with small arched dormers, fish scales and diamond-shaped slates. LHA operations at Belvedere House allow it to deliver 138 beds for beneficiaries in a self-catered format.

The external works to the building encompassed the cleaning and redecoration of the facades, metal work, and architectural details helping to highlight its aesthetic value and making it stand out as the landmark building within the conservation area. In addition to this, repairs were conducted to the roofs, guttering and timber window frames on the top floor, ensuring the longevity of this beautiful building.

Before



After



Holland House

This Grade Two-listed building within minutes of Victoria Station on Eccleston Square, was internally refurbished, adding to the external works that were conducted to the building just prior to the pandemic. Now fully operational after its use during the pandemic by Glass Door homeless charity, it houses 120 guests.

This refurbishment encompassed updating the heating system, an electrical upgrade and replacing/upgrading all of the showers and toilets. Every bedroom was completely refurbished and provided with brand-new furniture, fixtures and fittings. The communal areas were refurbished and redecorated before reopening, including the dining area and entrance. The upgrades have resulted in improved customer satisfaction with the hostel and a rise in social impact via the increased bedspaces provided.

Before



After



Bowden Court

The remodelling and refurbishment of Bowden Court were also completed last year – including electrical upgrades. This has provided improved communal areas and experience for the residents by upgrading and altering the operation of the basement communal area. It has also provided seven additional bedspaces.



Friendship House

A planning application for a rooftop extension to provide 62 additional bedspaces of low-cost accommodation for Londoners has been submitted for Friendship House with our partners at Apex Airspace and Todd Architects. Sensitively designed and matching the original award-winning building, this development will commence once planning is determined using modern methods of construction to minimise disruption, time and the environmental impact of providing new accommodation.

Davies Court

In addition to the physical aspects of managing the estate, LHA is proud to continue its relationship with the University of Cumbria at Davies Court in Poplar, East London. Here, the university houses its London Campus alongside LHA's hostel accommodation and provides specialist training and degrees in education, as well as undergraduate, postgraduate and short-term courses in business and health.





Equality, Diversity and Inclusion

Our Equality, Diversity and Inclusion Statement

At LHA, we are committed to promoting equality of opportunity for all and creating an environment that is inclusive and free from discrimination or harassment. We will ensure that by providing excellent services that are 'fair and transparent', we show that we value the diversity among cultures, perspectives and experiences of all our residents, volunteers and staff.

Equality, diversity and inclusion is at the very heart of what we do and central to the social impact that we deliver and the outcomes we strive to achieve.

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 wellbeing and develop a sense of belonging'.

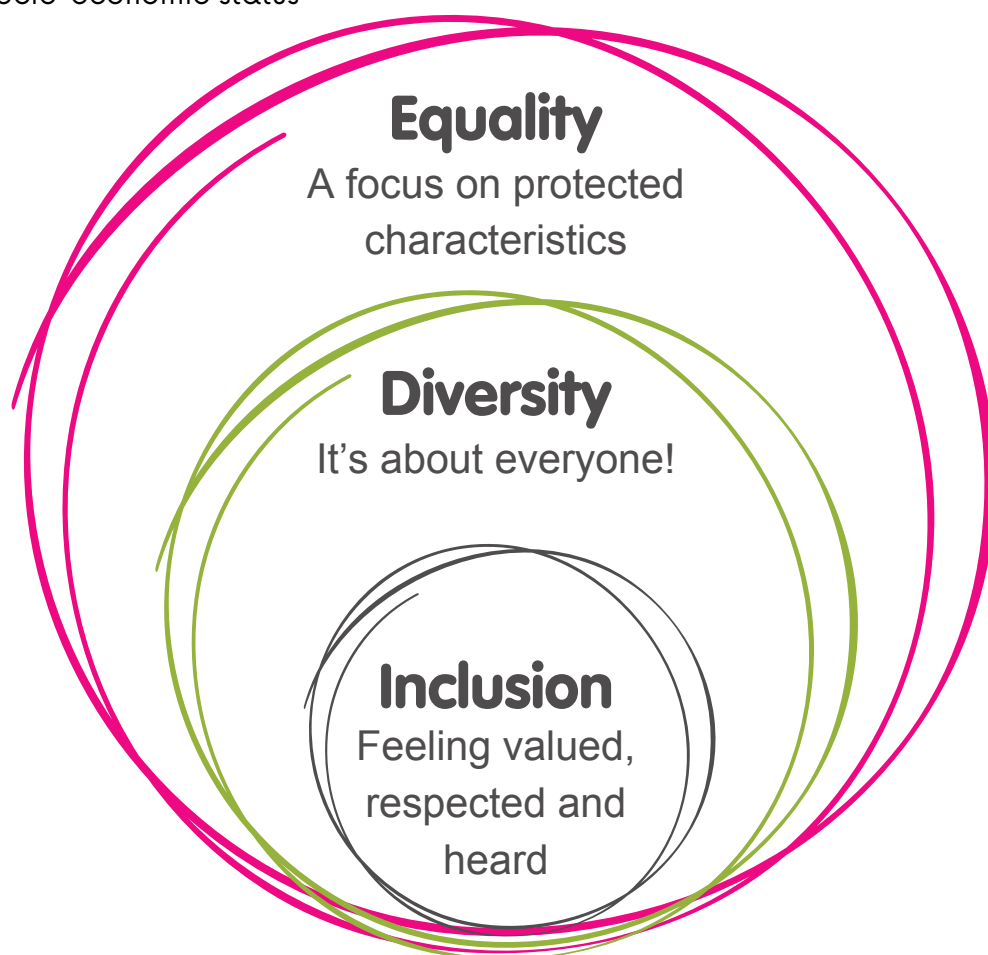
Underpinned by our 'People Values', we are guided in everything we do and recognise that being a diverse and inclusive employer that is representative of our society, helps our purpose to provide accommodation that is safe, secure and affordable. We will also continue to recruit, develop and retain the most talented people.

We seek to work in partnership with our residents, volunteers, staff and stakeholders to create and deliver services that meet their needs and offer value for money. We work within the spirit and practice of the Equality Act 2010 by promoting a culture of respect and dignity and actively challenging discrimination.



Through our work in providing affordable housing and as an inclusive employer, we will help ensure fair treatment for all, regardless of the following:

- Age
- Gender reassignment
- Race
- Disability
- Religion or belief
- Marital and civil partnership
- Sex
- Sexual orientation
- Pregnancy and maternity
- Socio-economic status



All these characteristics may be inter-linked and impact one another in different ways. We are committed to achieving the highest standards of equality in the way we relate to the people who use our services or work for us.

We will continue to support our board and committee members, leaders, managers and employees to demonstrate the principles of EDI in their everyday activities, roles and functions.



Equality, Diversity and Inclusion Plan

The review of our overall strategic plan in 2023 extended to our EDI plan. This included developing our EDI plan to include clear goals and timescales. The focus of our work was to cement our foundations and to develop further insight to enable us to celebrate where we are doing well and identify areas where we need to improve further.

We have set KPIs in four key areas aligned with our charitable objectives:

1. Increasing the number of people that can benefit from our services (i.e. grow our bed numbers)
2. Increasing the number of people that are under the age of 30
3. Increasing the number of beneficiaries whose experiences mean they could benefit most from our services
4. Ensuring that our residents, volunteers and staff reflect the communities we serve

To support and guide the delivery of the plan we have developed four themes:

1. Promoting diversity and inclusion
2. Raising awareness
3. Embracing and celebrating differences
4. Fostering vibrant, inclusive communities

We have expanded our collation of data about residents, volunteers and staff to provide insight across all 10 of the identified characteristics within our policy statement.

Additionally, we have launched the employee forum, which is made up of a diverse group of employees from all levels of the charity. The aim of the employee forum is to provide a platform that fosters idea sharing and gathers feedback from our diverse workforce, ensuring that we are focused on continuous improvement and that changes are collaborative, positive and aligned with the desired outcomes.

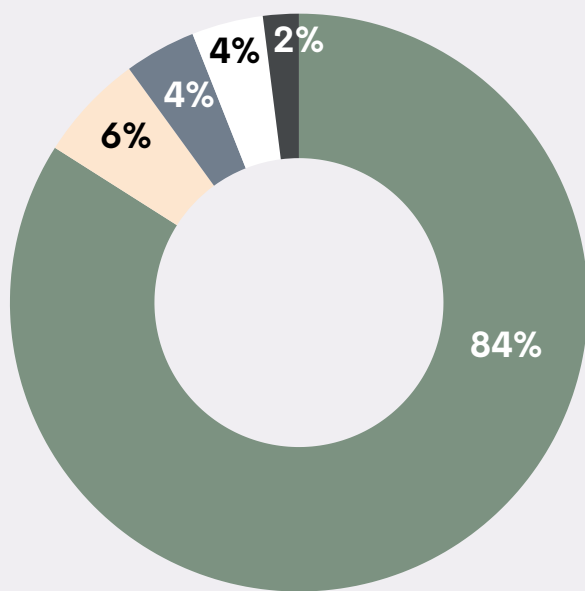
Work has commenced on a comprehensive review of our existing policies and procedures, with the aim being that EDI is central to our approach across all parts of the charity. To ensure transparency and accountability, we have designated the People Committee to oversee and receive reports on progress.

Priorities for 2024 will focus on the following:

- Completing the review and implementation of revised policies and procedures
- Building engagement in the Employee Forum and its value
- Analysing new data to identify areas for improvement
- Communicating the plan to all relevant stakeholders

Exploring Diversity at LHA

Marital Status



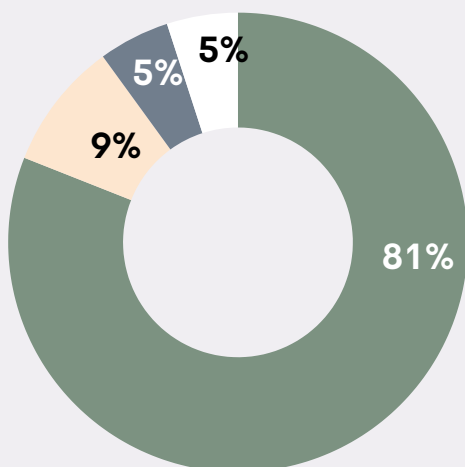
Single, never married

Prefer not to say

Living with partner

Married/civil partnership
(including separated)Widowed or surviving civil partnership
partner

Sexual Orientation

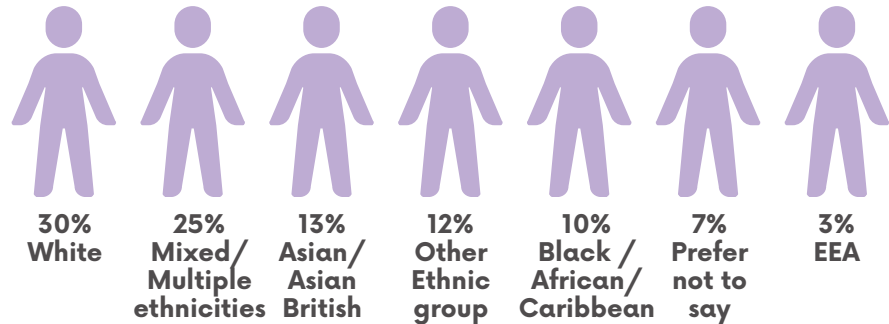
Heterosexual/
Straight

Prefer not to say

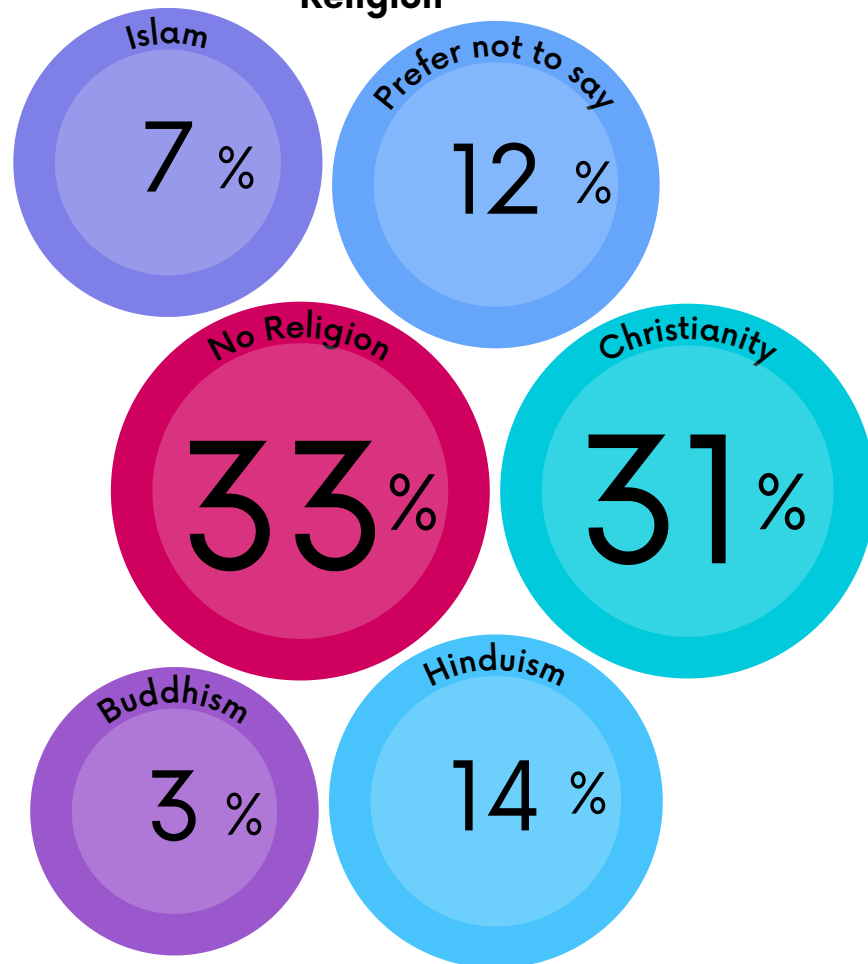
Bisexual

Gay / Lesbian

Ethnicity

30%
White25%
Mixed/
Multiple
ethnicities13%
Asian/
Asian
British12%
Other
Ethnic
group10%
Black /
African/
Caribbean7%
Prefer
not to
say3%
EEA

Religion



Islam

7 %

Prefer not to say

12 %

No Religion

33 %

Christianity

31 %

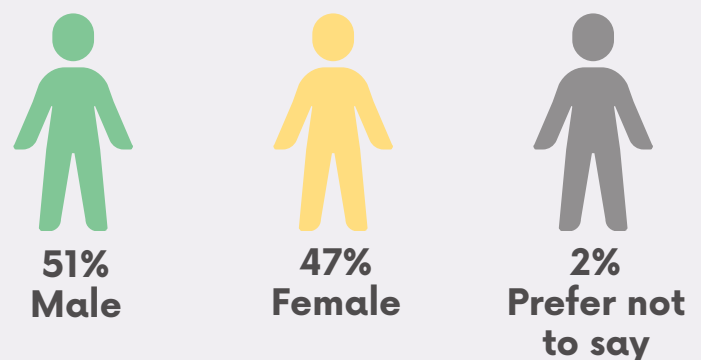
Hinduism

14 %

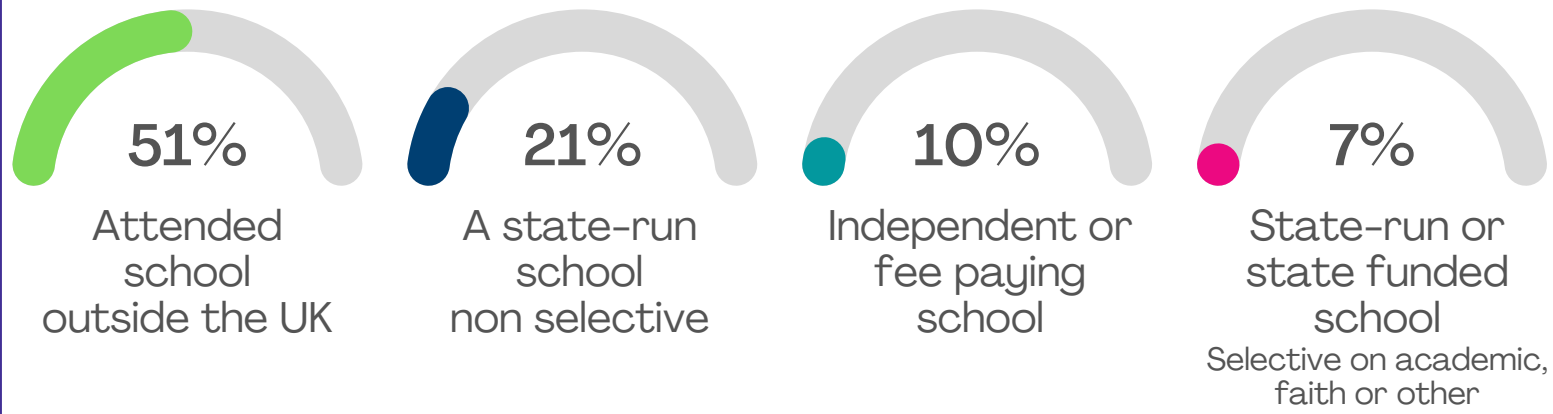
Buddhism

3 %

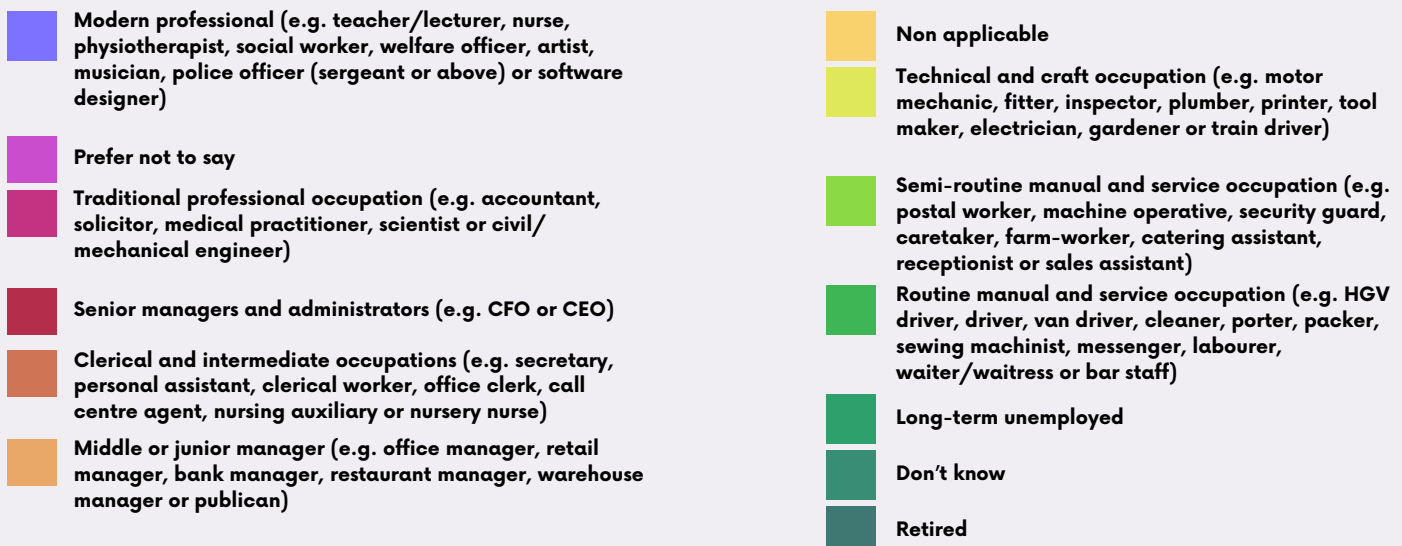
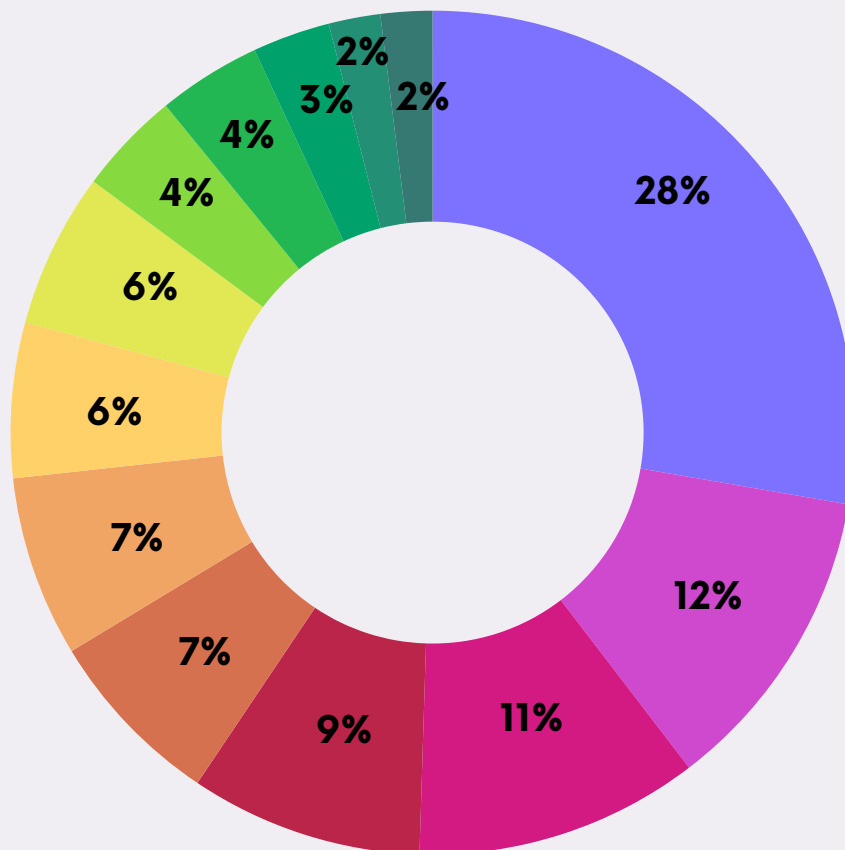
Gender

51%
Male47%
Female2%
Prefer not
to say

Education



Parent/Guardian's occupation



77%

of residents think that they would not have been able to afford to stay in Central London if they had not stayed at LHA.



89%

of employees believe LHA's culture fosters a comfortable, supportive work environment.



LHA is an amazing find. I moved after finishing my masters for an internship in London. LHA allowed me to walk to work and arrive on time.

7%

of residents combine a mix of part-time study and part-time employment.

94%

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

I have been able to start my new job with peace of mind and have my best performance. I had the time to share social moments with my colleagues I wouldn't have been able to attend without it.

70%

Residents earning London living wage or below.

25%

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

102

different nationalities were recorded as having stayed with LHA in the year 2022/23.



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, talents 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 talents 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 2022/23, LHA welcomed 13 Saatchi Home participants to a number of our properties – recording a total of 931 overnights. This means over the last two years, a total of 28 individuals have benefitted from the collaboration totalling 1,977 overnight stays.



Our Social Impact

Our 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 wellbeing and develop a sense of belonging.**

Our Year at a Glance

Project 25

People: 2
Overnights: 448

Repurposing

People: 114
Overnights: 5,475

Collaborations

People: 13
Overnights: 923

LHA Fund

People: 2,160
Projects: 14

Rewards

People: 2,109
Overnights: 319,724

Volunteers

People: 833
Overnights: 61,685

Staying @ LHA

People: 4,990
Overnights: 588,624

Our Year at a Glance

17,472

UNIQUE
ENQUIRIES
FOR ACCOMMODATION

OF RESIDENTS EARNING THE
LONDON LIVING WAGE OR
BELOW

70%

£347,800

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

77%

89

VOLUNTEER
ENGAGEMENT SCORE

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

83%

97%

AVERAGE OCCUPANCY

92%

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

73%

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

94%

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

52%

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

London and the World Around Us

London has historically been a magnet for young people seeking educational and professional opportunities. Several factors contribute to the city's dependence on the influx of young individuals to live and work:

- **Education and Universities:** London is home to some of the world's top universities, making it an attractive destination for students. Many young people come to the city for higher education and often choose to stay for work opportunities after graduation.
- **Job Opportunities and Economic Hub:** London serves as a global economic hub with a diverse range of industries, including finance, technology, fashion and the arts. This diversity creates a wealth of job opportunities, especially for those starting their careers.
- **Cultural and Social Scene:** The city's vibrant cultural scene, nightlife and social activities make it appealing to young people seeking an active and dynamic lifestyle. The diversity and richness of London's cultural offerings contribute to its allure.
- **Networking and Professional Development:** London provides extensive networking opportunities and professional development resources. Young professionals often find value in connecting with like-minded individuals and industry leaders, fostering career growth.
- **Global Connectivity:** London's international connectivity is a significant draw for young people. The city's airports, global business connections and multicultural environment make it an ideal location for those seeking a truly international experience.

However, this dependence on young people also poses challenges:

- **Housing Affordability:** The demand for housing in London can drive up prices, making it challenging for young individuals, especially those starting their careers, to find affordable accommodation.
- **Infrastructure Strain:** The influx of young residents can strain transportation, healthcare, and other public services. This can lead to challenges in maintaining and expanding infrastructure to accommodate a growing population.
- **Competition for Jobs:** The competitive job market in London can make it challenging for young professionals to secure positions, particularly in highly sought-after industries.
- **Quality of Life:** As the cost of living in London is relatively high, young people may face quality-of-life issues, including long working hours, high living expenses and the pressure to succeed in a competitive environment.

As many of us have observed, the COVID-19 pandemic introduced new dynamics, such as increased acceptance of remote work, which may impact London's traditional dependence on young people relocating to the city. It remains to be seen how these trends will evolve in the post-pandemic era.

In the meantime, the need to provide affordable accommodation for young people in London remains a priority. 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 the organisation to acquire and establish more hostels in Central London to enable young people to pursue their passions and careers.



Staying at LHA

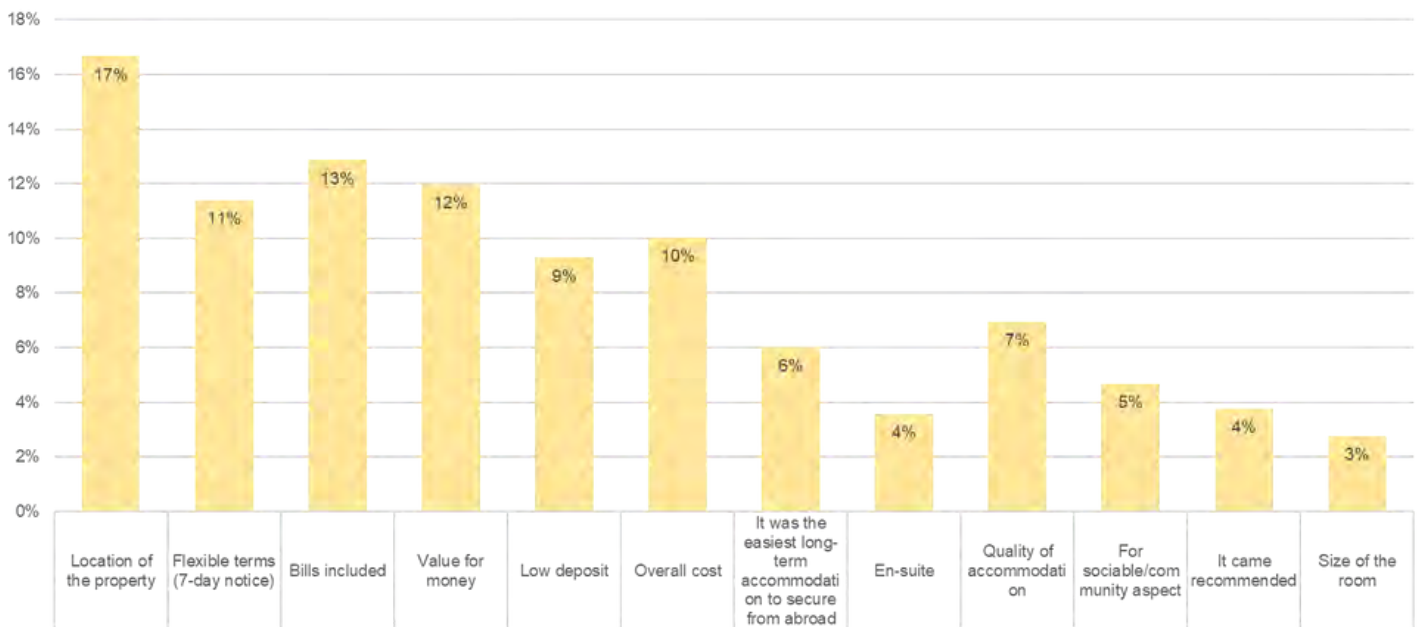
Between 2022 and 2023 nearly 5,000 individuals benefitted from staying with LHA with a total of over 588,000 overnight stays recorded.

The post-pandemic occupancy recovery continued into 2023, which included the successful re-opening of Holland House which underwent a full internal refurbishment and marked the final milestone in LHA returning to normal operations.

Holland House quickly achieved high occupancy levels of over 90%, with over 85% of residents under the age of 30. Throughout the year, average occupancy across all LHA sites achieved a staggering 99.43%. By the end of 2023, we had a total of 1,683 beds available for beneficiaries, excluding volunteers, which is an increase of 130 beds during the year due to the re-opening of Holland House.

The main reason for people choosing to stay with LHA continued to become more and more focused on the financial benefits of our core offer.

Why did you stay at LHA?



Unfortunately, once again, we saw demand for our services far outstrips supply, with close to 16,000 unique enquiries for accommodation received. Our ambition to acquire new sites and increase the number, affordability and range of facilities on offer to beneficiaries remains a priority.

Gain
experience

77

living in a
global city

Residents
foster

66

friendships
with one
other

Improved
wellbeing

73

among
residents

Sense of
belonging

74

to London
among
residents

overall

73
score

Outcomes

Sustaining
mixed, diverse

75

communities
in London

Enabled
sustained
livelihood

74

for youth,
homeless people
and other groups
living
in London

Impacts

We surveyed all our current and alumni residents and volunteers who benefitted from our services between October 2022 and September 2023 to understand their experiences. Once again it was a hugely rewarding experience which is reflected in some of the comments you will find throughout this report.

In terms of the quantitative information received, we saw an overall score increase from 72 in 2022 to 73 in 2023 and general positive improvements across all the indices measured, bar one.

Notably, the number of respondents who believed they could not have been able to stay in Central London without LHA rose to 77%, while the number of respondents who believed they were at risk of homelessness without LHA was 52%.

During the year, we actively focused on fostering friendships through hosting hostel events and improving our social spaces. While this remains the lowest scoring area, it is also notably the most improved score. We will continue to explore more ways to help foster friendships within our buildings in the year ahead.

As was the case in 2022, further analysis of scores for young people in receipt of LHA Rewards and responses from volunteers highlight that it is through these activities that we have the greatest social impact and deliver the strongest outcomes. In the next section, you can see more details on our social impact and outcomes.

“

I made good friends with other travellers and students with different cultural backgrounds. I gained a good reputation from colleagues and staff, including the manager, and that helped a lot to grow my self-esteem.

”

“

I loved the opportunity to see the other volunteers fulfil their dreams and passions. Exploring the city with them and learning about the culture with the staff members was also really great!

”

Staying at LHA – Outcomes: Gaining New Experiences

OVERALL SCORE 77

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.

Gain experience living in a global city	2021/22 SCORE	2022/23 SCORE
I was able to connect with people with mixed, diverse backgrounds in LHA.	74	76
The experiences I have had in London (outside of LHA) have been valuable to me.	85	85
My stay with LHA has helped me to achieve my goals.	76	77
My stay with LHA has helped me to gain independence.	75	78
There were people at LHA that I could go to for support.	65	67

“

It has given me a sense of independence. It made me accountable for my things and taught me how to manage my finances. It also gave me more time to focus on studies and work.

”

“

It was my first time in this country and I felt safe in here. It is really good to have people in the reception who take care of us, helping us with our needs.

”

“

I have learnt I am able to support myself financially without help from anyone and can manage my life independently.

”

Staying at LHA – Outcomes: Improved Wellbeing

“Staying at LHA helps me worry less about my living situation, food, money, etc., which really helps me focus more on my studies.”

“I have a stress-free living environment, which has helped me maintain discipline in my lifestyle.”

“It has given me mental peace and financial freedom during my education year, when it's difficult to work outside. Without LHA, I would have stressed out about working more to pay higher rent.”

OVERALL SCORE 73

We believe that the combination of affordable accommodation, high-quality facilities, good locations, and sociable living helps to improve residents' overall wellbeing. Using the Short Warwick-Edinburgh Mental Wellbeing scale, we measured whether residents' wellbeing had improved since moving in with LHA.

As shown below, while we continue to see positive sentiment among all our residents with regard to their wellbeing, this is one of the few areas where scores have remained static or moved slightly backwards. This will be an area we seek to focus and improve on in 2024.

Compared to when you moved in with LHA, do you feel the following more or less frequently?	2021/22 SCORE	2022/23 SCORE
I feel optimistic about the future.	75	76
I feel useful.	75	75
I have been feeling interested in other people.	71	69
I have been feeling close to other people.	68	67
I have been feeling confident.	76	76
I have been feeling interested in new things.	77	76

Staying at LHA – Outcomes: Fostering Friendships

OVERALL SCORE 66

LHA living is all about community which is becoming increasingly important as young people start to realise the value of sharing affordable living. It has proven to be 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. This was one of the key areas we wanted to focus on in 2023 as we felt we could further support this activity as our communities learnt to reacclimatise to a world without restrictions on social interaction. We have focused on improving our social spaces and have encouraged inclusive hostel events, such as picnics in the park, pizza nights, table tennis tournaments and pumpkin carving competitions. While we're pleased with the progress, this will remain an area of focus during 2024 and likely go hand in hand with our focus on wellbeing.

Residents foster friendships with one other	2021/22 SCORE	2022/23 SCORE
Agree that they made friends with other residents.	66	70
Agree that they made friends with staff.	66	68
Agree that there was a strong sense of community at LHA.	62	65
Feel part of a social network at LHA.	56	59
Feel that they are likely to stay in touch with other LHA residents.	65	69

“

I had gained many things, as I made many good friends whom I go visit different places in this beautiful city. Before, I was an introvert, but now, I talk with many people, which also helps me to develop my confidence.

”

“

It was a good experience; I got to make new friends in the new city. The staff were really helpful and friendly and made me feel welcome.

”

“

I have been able to meet my friends and socialise a lot more. I am not an introvert anymore. I am always on time for my job. I have saved a lot on transport. This has been a fantastic experience.

”

Staying at LHA – Outcomes: Sense of Belonging

“

Before moving to LHA, I didn't have a place to call home and have my things in one place. I now call Bowden Court my home; everyone is so lovely, the food is good and my mental health is amazing. I have now got my finances back on track and am able to go and see my family for a holiday over the Christmas break and return to a bed when I get back to continue my travels through Europe.

”

“

I now feel more confident to establish friendships in London, thanks to the fact that in New Mansion House, I met many people I could talk to. This also helped me with the language. I loved staying at New Mansion House; it helped me a lot to feel at home. Thank you all.

”

OVERALL SCORE 74

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 home and connect people and places – along with the added freedom to live the way they want. We feel really honoured to be able to operate in the locations where we do. This clearly resonates with our residents and volunteers who continually fall in love with the city. In fact, over 90% say they want to live in London in the future, and 94% feel accepted for who they are.

Sense of belonging to london among residents	2021/22	2022/23
% that indicate they would like to live in London in the future.	91%	90%
% that feel accepted for who they are in London.	95%	94%

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

“

It connects me with how people can share common grounds despite having different backgrounds.

”

OVERALL SCORE 75

LHA London is open to all and welcomes people from across the globe, creating a community of individuals from all walks of life and backgrounds. In doing so, it allows people to experience all the best things about London. 95% of residents agree that connecting with people from mixed, diverse backgrounds has been valuable to them, and 83% agree that they have been able to experience this at LHA.

“

I have connected with people from diverse cultures and learn new things. I have become independent and am really happy to see my potential.

”

“

Staying in Central London with LHA's support has profoundly influenced my life. It has opened doors to diverse opportunities, enriched my cultural experiences and provided better access to work, shaping a more vibrant and fulfilling lifestyle for me.

”

Sustaining mixed, diverse communities in London	2021/22	2022/23
% that feel that connecting with people with mixed, diverse backgrounds has been valuable to them.	94%	95%
% that feel part of the LHA community.	59%	60%
% that have been able to connect with people with mixed, diverse backgrounds at LHA.	81%	83%

Staying at LHA – Our Impact: Enabling Sustainable Livelihoods

OVERALL SCORE 74

By providing a foothold in London and 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, better career opportunities or improved wellbeing.

When we asked residents about their housing situation prior to staying with LHA, we found that 6% of residents were living in temporary or emergency accommodation or were homeless. We consider this an important achievement for these individuals. LHA has been a helpful stepping stone towards a more sustainable livelihood.

We also asked alumni residents to think about how their lives may have been different if they hadn't stayed with LHA. Comments ranged from 'no difference' to 'LHA having had 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	2022/23	SCORE
% that feel that the volunteering experience has been valuable to their professional development.	92%	73
% that feel their stay with LHA has helped them to pursue their passions and/or careers.	88%	77
% that feel more confident about their financial situation now than before they were staying with LHA.	83%	76
% that feel more confident about their future prospects as a result of their stay with LHA.	87%	74

“

My time has been much more useful and productive. I feel purposeful and have been saved from the exertion and exhaustion that my outer London accommodation had caused me.

”

“

I have been able to keep a job in Central London, progress my work career and apply for jobs in central areas that finish late that I wouldn't be able to do if I had to commute after 11pm. I have achieved much greater mental health due to proximity to the park and love the community.

”

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

In a year when rental prices have continued to spiral in London, LHA has worked hard to minimise increases in accommodation charges and continued to offer up to 15% off accommodation for people aged under 30.

LHA continues to assess the affordability of its 'all-inclusive' offer on a regular basis, with 60% of its accommodation meeting 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. What's more, 90% of our accommodation is affordable to those on low incomes, i.e. London living wage or below.

Our surveys found that 54% of residents moved to LHA from outside London and that 60% had never lived in London before their stay with us.

Making London accessible to young people	2021/22	2022/23
% 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.	58%	77%
% that feel they were at risk of homelessness if they had not been able to stay at LHA.	43%	52%



If I hadn't lived at LHA, I would have been struggling big time to find a place to stay or even afford to live in London. So, that in itself has been amazing. Also, meeting people from other countries and cities and cooking with them or trying new foods has been very rewarding and exciting.



LHA's Social Impact

As many of you will know, LHA London believes that the cost of accommodation should never be a barrier to a young person being able to study or work, and no one should have to live in poverty to achieve their life's goals.

However, for most Londoners, the impact of the cost-of-living and housing affordability crisis continues to be unavoidable. A toxic combination of soaring private rents and unaffordable deposits threatens to obstruct London's ability to remain a competitive global city in which to live, work and study.

According to the latest census, over the previous 10 years to 2021, there are 9.8% more households with three or more people living in them. This suggests that more Londoners are living in overcrowded accommodation that they cannot afford.

With London's population forecast to reach 9.4 million by 2030, we need to see a much more radical strategy in place that builds more homes for London, delivers genuinely affordable and high-quality homes, offers a fair deal for private renters and tackles the Capital's current homelessness crisis.

As Londoners (and the nation) continue to face the many challenges related to the cost of living, including the sharp increases in rent, I'm proud to report that we've been able to achieve continued impact by providing affordable accommodation to young people of limited means.

I would therefore like to thank everyone who has been involved in supporting more young people through our places, programmes and activities and look forwards to an equally impactful 2024.



For more information, please contact annualreport@halondon.com

A stylized, handwritten signature in black ink, appearing to read 'Tony Perkins'.

Tony Perkins
Chief Executive and Company Secretary

“ Staying with LHA in Central London not only simplifies rent payments but also offers the advantage of proximity to my university. The walkable distance saves both time and money, allowing me to focus on my studies and other pursuits. LHA's comprehensive services cover everything, from bills to prompt resolution of issues like plumbing. This hassle-free experience adds to the overall convenience and quality of my stay. ”

“ Since moving to LHA, for nine months, I haven't had a place to call home and have my things in one place. I now call Bowden Court my home. Everyone is so lovely, the food is good and my mental health is amazing. I have now got my finances back on track and can go and see my family for a holiday over the Christmas break and return to a bed when I get back to continue my travels through Europe. ”



“

It has enabled me to keep my job; I recently graduated with a master's degree after a career change, and graduate jobs just do not pay enough to live in London. LHA is a lifeline for breaking out of this catch-22 situation.

”



“

What I like most about volunteering is getting to meet other volunteers. I have been able to make friends and improve my English... I would definitely recommend volunteering at LHA to any young person who wants to experience life in London.

MANUEL

Volunteer, Railton House

LHA Rewards

Providing young people with their first stepping stone to independent living is at the centre of what we do and alongside our volunteer scheme. LHA Rewards is a key part of this. LHA Rewards offers young people under the age of 30 the opportunity to receive up to 15% discount on their accommodation.

Over 2,100 young people benefitted from LHA Rewards (an increase from 1,400 in 2022), which equated to over 320,000 overnight stays. This was up from 130,000 in 2022. When looking at the feedback received from rewards beneficiaries, we saw the largest fluctuations in impact and outcome scores when compared with other groups.

Notably, scores for 'Gaining Experience in a Global City' and 'Enabling Sustainable Livelihoods' were among the most increased scores across all groups whereas 'Improved Wellbeing' and 'Fostering Friendships' showed a slight decline in scores. This reinforces the need for us to look more specifically at the challenges faced by young people in London and how they differ from the wider population.

Also, there was a significant drop in the number of rewards beneficiaries who felt they could not have afforded to live in Central London without LHA. This dropped from 89% to 65%, which again suggests the concerns for young people differ from our wider beneficiary groups.



LHA Rewards

“It's evident that rent is affordable and the staff are truly helpful. Being an international student, it would have been challenging for me to stay in London and focus on study. Huge thanks and appreciation to LHA for providing such an excellent place for us.”

“As result of staying in LHA, I am able to live a safe environment at a very affordable price with diverse people.”

Outcomes	2021/22		2022/23	
	ALL	REWARDS	ALL	REWARDS
Gain experience of living in a global city.	75	75	77	80
Improved wellbeing among residents.	74	75	73	73
Residents/volunteers foster friendships with each other.	63	72	66	70
Sense of belonging to London among residents.	73	76	74	76

*Using Likert scale

Impacts	2021/22		2022/23	
	ALL	REWARDS	ALL	REWARDS
Sustaining mixed, diverse communities in London.	74	76	75	77
Enabling sustainable livelihood for youth, homeless people and other groups living in London.	72	74	74	79

*Using Likert scale

Providing Affordable Living in Central London for Those on Low Incomes	2021/22		2022/23	
	ALL	REWARDS	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%	77%	65%
% that feel they would be at risk of homelessness if they were not able to stay with LHA.	43%	58%	52%	51%

Volunteering at LHA

OVERALL SCORE 89

Volunteering at LHA London is not only an important part of us keeping the cost of accommodation affordable but also a huge part of our social impact. In fact, 833 individuals donated over 160,000 hours of their time to LHA during the year and over 60,000 overnight stays were recorded.

Volunteering at LHA	2021/22 SCORE*	2022/23 SCORE*
Overall, how would you rate your volunteer experience?	80	88
If you had another opportunity, how likely are you to volunteer with us again?	80	88
How likely are you to recommend volunteering with LHA to a friend?	80	91

We are delighted to report the volunteer engagement score has risen from 81 in 2022 to 89 in 2023. This was a direct result of the additional focus placed on supporting hostel teams and volunteers through the newly created role of 'Volunteer Scheme Advisor', alongside the ongoing improvements to our policies and procedures.

*All scores improved on the prior year

*Using Likert scale

“ I developed new skills and gained experience in my role. I met different people and had contact with other cultures. I had plenty of time to visit various tourist attractions in the city, among other benefits that volunteering gave me. ”



“ The free accommodation and help with meals made my stay easier, with less worry about financial expenses. I had plenty of time and less expense to visit places I always wanted to visit. I met nice and helpful people who were very kind to me and contributed to happier days here in my place. ”

Volunteering at LHA

The volunteer scheme, whereby people from across the globe stay with us for between 30 days and two years, offers opportunities to learn and develop core skills. In fact, individuals from 75 different nationalities participated in the scheme during the past 12-months.

- 92% 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 because of their volunteering experience.

We asked volunteers specifically about which **other skills** they felt had improved as a result of their participation and 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	75
Time management skills	73
Communication skills	79
Attention to detail	81
Teamwork	81
Knowledge of hospitality	92

*Using Likert scale



We also asked volunteers the same questions as we did our residents and across all indices and a greater level of social impact was noted. This reinforces the importance of the volunteer scheme and meeting our charitable objectives.

2022/23 Outcomes	ALL	VOLUNTEERS ONLY
Gain experience living in a global city.	77	85
Improved wellbeing among residents.	73	81
Residents/volunteers foster friendships with one another.	66	77
Sense of belonging to London among residents.	74	83

*Using Likert scale

2022/23 Impacts	ALL	VOLUNTEERS ONLY
Sustaining mixed, diverse communities in London.	75	83
Enabling sustainable livelihood for youth, homeless people and other groups living in London.	75	77

*Using Likert scale

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	77%	87%
% that feel they would be at risk of homelessness if they were not able to stay with LHA.	52%	44%



LHA
Fund



LHA Fund

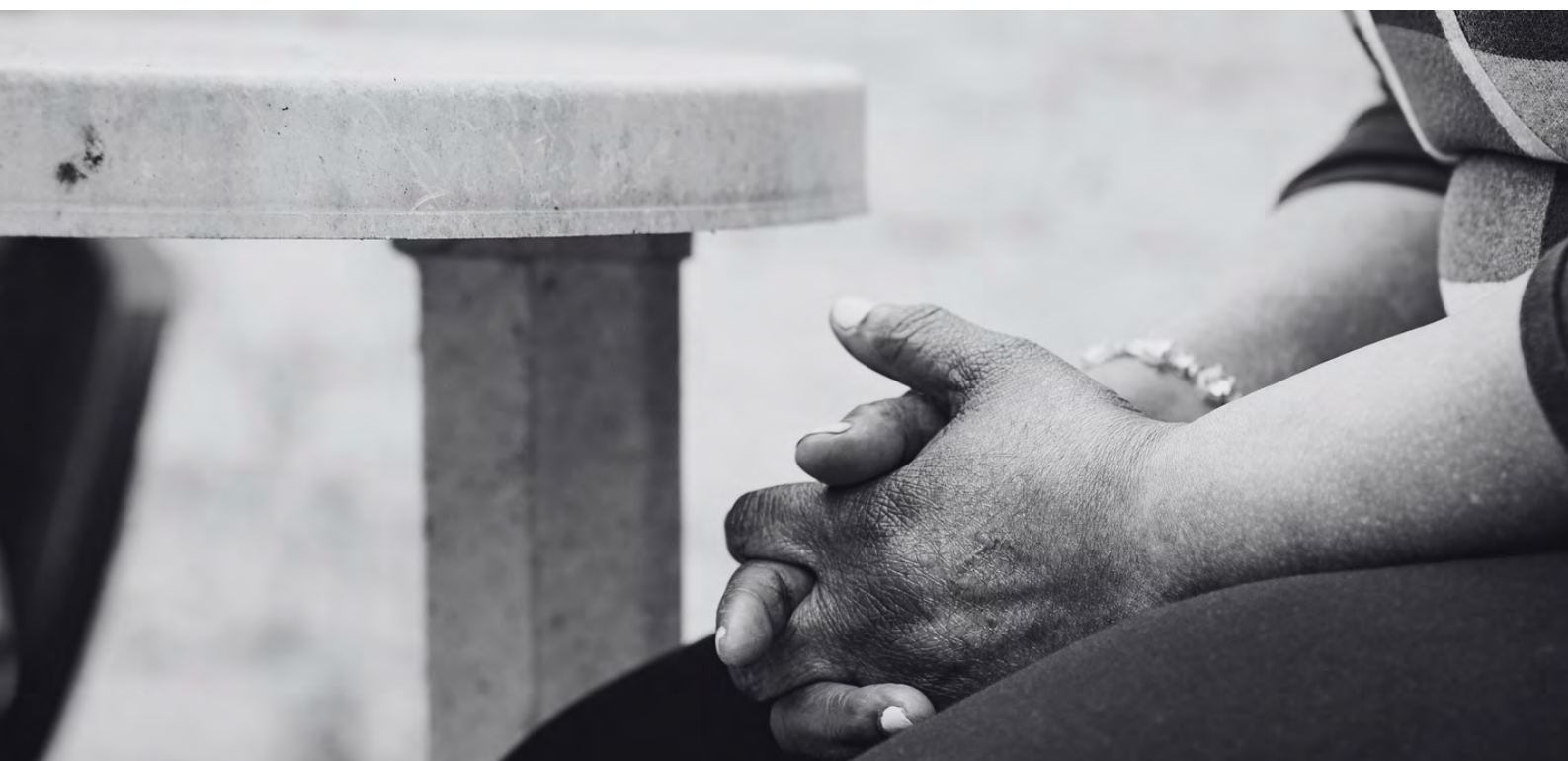
Since 2017, the LHA grant programme has supported approximately 600-700 beneficiaries per year and made a significant impact enabling its recipient charities to weather a series of storms, including funding projects that otherwise might not have seen the light of day, with 18 charities having been assisted, culminating in a grant programme of £1,741,644. In all cases, the feedback has been that these charities have valued LHA 'being there' at a time of need. In this round of funding (2022-2023), an amalgam of actual and indicative numbers of young people benefitting from 14 LHA grants is in the region of 2,160, with last year's figures being 693.

As LHA specialises in offering low-cost accommodation on flexible terms, allowing young people to live independently in safe and secure accommodation, we recognise that some young people need targeted support to be able to transition to independent living. We know that specialist charities are best placed to offer this, and our aim now is to provide grants to a small number of these through the LHA London Fund.

Therefore, 2023-24 marks a change in the LHA London Fund strategy with a view to providing larger, multi-year grants to a smaller number of organisations. These will build on successful funding relationships developed over several previous years, with criteria refocused on established charities working with young people with housing needs in London.

The two elements will include the following:

1. Project 25 - subsidised accommodation arrangement: £100,000 p.a. for three years
2. Three organisations receiving £70,000 p.a. grant for three years



2022/23 Projects



Fund Case Study

LHA London has been supporting New Horizon Youth Centre for a number of years to help young Londoners experiencing homelessness personalise support to them to find a home. Below is Bella's story:

Bella was 18 years old when she presented at New Horizon Youth Centre. She was assessed by the housing team and referred to the youth hub on 28 July 2023. She was staying at a friend's house, as her mum had kicked her out. However, her friend could no longer let her stay due to overcrowding. Bella's mum was physically and emotionally abusive to her, and her dad died when she was 15 years old. Therefore, she had experienced a lot of past emotional trauma and distress, alongside not feeling safe in her own home.

Bella received universal credit, which meant referrals could be made quickly, as she already had access to money. Bella was offered a referral for counselling, but she felt that she wasn't yet ready to engage, yet she would look at doing this soon. Two housing referrals for supported accommodation were made, as the focus was on her having access to support but also being able to continue attending college.

The first referral came back quickly; however, when she went to view the property, the location was unsuitable, as it would have taken her nearly two hours to get to college each day. Bella was doing an access-to-nursing course, which was very important for her. The option of switching colleges at that time was likely to harm her studying, thus it was important to find a more fitting accommodation provider that wouldn't disrupt her education. Bella engaged well in the youth hub, and although she presented as very independent, she attended the cooking sessions and joined in with the other residents, eating as a group.

The second housing referral came back in a couple of weeks, she went for her assessment and was accepted the same day. The supported accommodation was female only and an easy commute to her college. Bella moved out on 24 October 2023, which was within her 56-day target.

Bella continues to work with New Horizon and regularly attends EAT club and boxing. Bella is looking forward to a future career in nursing.

LHA Repurposing

The Women's Respite Service or Camden Respite Rooms, is a 15-bed project providing 28-day emergency accommodation to women who are homeless and impacted by domestic abuse and gendered violence.

The project was commissioned by Camden Council and originally funded by the Department of Levelling up, Housing, and Communities as part of a national pilot. Further funding was secured from the Mayor's Office for Policing and Crime for its second and third years. The project opened in November 2022, received six months of continuation funding until March 2023 and was recommissioned again for 2023-24.

The project is a women-only* space, and the location is strictly confidential to protect the safety of all residents and staff. The support is both gender and trauma-informed and assists women from all backgrounds and cultures through a holistic and person-centred case working model. Since opening, the respite has supported 114 women to date.

Criteria:

Women who are experiencing homelessness* or are fleeing/have experienced gendered abuse or violence*, with a particular focus on women who are at multiple disadvantages and/or who are marginalised from mainstream accommodation pathways, i.e. subject to NRPF conditions.

Homeless = rough sleeping, statutorily homeless, i.e. sofa surfing, trap houses and unsuitable accommodation (i.e. s.177 fear of violence).

Abuse and violence = as the woman understands and defines this.

We follow the safe space definition of VAWG (and expand upon this to include transphobia and institutional abuse).

Street-based violence, domestic violence and abuse, coercion and control, financial abuse, stalking, transactional sex, sexual violence including rape, sexual exploitation, sexual harassment, modern-day slavery, trafficking, so-called honour-based violence, harmful practices, including forced marriage and Female Genital Mutilation or gendered gang violence; transphobia; institutional abuse; and cuckooing.

- Women do not need a 'local connection' to Camden – they need to be working with a referral partner – a requirement that there is meaningful engagement with Camden services.
- Twenty per cent of placements are refunded, allowing us to assist women who are NRPF Trans* inclusive.
- No 'evidence' of homelessness or violence is required i.e. Chain ID or Crime References.

Project 25



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 provision of move-on accommodation for young people.

A recurring theme through our conversations was the 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 can claim. Furthermore, the severe lack of move-on accommodation once individuals complete a period in supported accommodation and are ready for independent living is an issue.

During the year, two individuals have benefitted from Project 25 which equated to 445 overnight stays. Since its interception in September 2021, a total of 10 individuals have benefitted from the project, totalling 1,574 overnight stays. We aim to continue growing the reach of the project and benefit more individuals.

The Future of the Fund in 2024

To improve the sustainability of charities, the aim in 2024 is to focus on a smaller number of charities over a three-year funding period. This will provide £70,000 p.a., per charity. The selection process for the new style of funding is aimed at providing grants in April 2024.

As part of the LHA Fund review, we have ringfenced circa £100,000 p.a. to provide subsidised accommodation in our buildings. This will allow for several 16–25-year-olds to receive up to a year's transitional support into long-term, private-sector housing by offering accommodation at local housing allowance rates. To grow the project's reach and support its delivery, LHA will work under an arrangement with two existing grantees: NHYC and St-Mary-Le-Bow.

In 2024, Project 25 will consist of ten ensuite rooms being offered at Torquay House. LHA will also cover the cost of two rooms that NHYC currently rents from St-Mary-Le-Bow for the same purpose and NHYC will provide wrap-around support to all the relevant young people. In addition, this subsidised accommodation and the LHA Fund will also contribute to the cost of their resettlement team as part of the arrangement.

Appendix 1: LHA Theory of Change

Our Theory of Change has enabled us to articulate and measure the social impact and the outcomes achieved through our core activities.

Activities

Accommodation

- Develop, refurbish and purchase property
- Provide high-quality, affordable and flexible accommodation in Central London to diverse young people

Volunteers

- Recruit to and support the LHA volunteers' programme

Partners

- Administer LHA Fund and support LHA Fund partners

Outputs

- Number of quality hostels and beds provided
- Number of residents living across LHA hostels
- Diversity of residents
- Number of volunteers
- Number of LHA Fund partners
- Total resources/grants provided
- Number of young people indirectly supported through LHA grants

Impact

Accommodation

- Central London is more accessible to all young people
- Mixed, diverse communities are sustained in London
- Sustainable livelihoods are enabled

Impact

Creating an environment where:

- Residents gain new experiences
- Residents foster friendships with each other
- Residents have improved wellbeing
- Residents develop a sense of belonging in London
- LHA volunteers gain skills and expertise in hospitality
- LHA Fund partners support young people experiencing homelessness enabled by LHA Fund grants

Appendix 2: Measuring Our Social Impact

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 the comparison to the preceding 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 Governance



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 the 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's skill-set. LHA conducts 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 on trustee tenure, governance training packages and onboarding. The board members complete an annual board effective survey and appraisal with the chair.



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.



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, particularly in residential work and listed buildings. Previous director of Wren Insurance Association.



Gareth Moody
BA (Hons), PGDipSurv, MRICS

Chartered surveyor and managing director of Tila Commercial, specialising in property management, facilities management, asset management and building consultancy. Previously held roles with CBRE and Knight Frank in Central London.



Adam Poole

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



Harkamaljeet Sandhu Shinger
BA (Hons), MA, PGDIP

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



David Sawyer

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



Helen Wyeth
MEng, CA

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.



Simon Tarr
Appointed 28/03/2023

Chartered accountant with over 30 years of commercial and not-for-profit experience. Held various senior executive positions across multiple and diverse organisations.



Elizabeth Nyawade
BA (Hons), MA, MSc
Appointed 05/12/2023

Chartered fellow of the Chartered Institute of Personnel and Development. Currently an executive director at Surrey and Sussex NHS Healthcare Trust



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.



Bonnie Chiu
BBA, MSc
Retired 27/06/2023

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.



Ali Mohammed
BA (Hons), MSc
Retired 31.12.2023

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

KEY

- Current board member
- Newly appointed board member
- Retired board member

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
David Sawyer
Toyin Miller retired 04.12.22

Property Oversight and Projects Committee

Sue Johnson chair
Peter Frackiewicz
Gareth Moody
Adam Poole
Jeremy Estop co-opted member 05.10.2023

People Committee

Ali Mohammed chair, retired 31.12.2023
David Conroy
Alexandra Whiston-Dew
Simon Tarr appointed 09.11.2023
Elizabeth Nyawade appointed 05.12.2023
Alec McTavish retired 14.02.2023

Social Policy Committee

Petra Green chair
Harkamaljeet Sandhu Shinger
Simon Tarr appointed 24/04/2023
Toyin Miller retired 04.12.22
Alec McTavish retired 14.02.2023
Bonnie Chiu retired 27.06.2023
Lynn Vickery co-opted member 12/10/2023

LHA Services Limited

Directors:
Alexandra Whiston-Dew chair
David Conroy
David Sawyer appointed 28.02.2023
Alec McTavish retired 14.02.2023

Executive:
Tony Perkins, FRSA
Chief executive & company secretary
Marsha Gair, FCCA, Finance Director

LHA Services Ltd

Company Registration No. 3424128

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

Our Management Team



Tony Perkins - Chief Executive



Marsha Gair - Finance Director



Ben Atwell - Director of Operations



Andy Gatrell - Director of Estates

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, EMT 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.



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 2023 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 55 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 2022/2023, as cited in the Memorandum and Articles of Association, Para 60 (1).

Strategic Report

The charity achieved surplus net incoming resources before transfers of £6,723,067 (2022; £4,255,721), which is approx. £1,190,000 over budget due to savings on utility costs, depreciation and also increased interest rates, resulting in a £500,000 surplus of interest received against budget.

There was a spend of £950,004 (2022; £890,588) on repairs and maintenance.

Donations of £347,800 (2022; £276,810) 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 them at least in line with inflation while generating a stable and sustainable return to grow 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 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 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 that 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.

The investment policy will be reviewed in 2023/24.

Trustees' Review and Strategic Report

Fixed Assets

We are pleased to provide an overview of the significant capital works completed during the financial year, demonstrating our commitment to enhancing our facilities and ensuring the continued wellbeing of our residents. The following key projects were undertaken, showcasing our dedication to maintaining and improving our housing properties:

1 Electrical Works:

- Completed at a cost of £122,000. The majority of sites were completed in 2022/23.
- Enhancements to electrical infrastructure for improved safety and efficiency.

2 Refurbishment Projects:

- Ongoing refurbishment efforts initiated in 2022/23 at Holland House with a total expenditure of just over £700,000.
- The addition of four beds in the gym area on the ground floor, creating a more versatile and accommodating space.

3 Plant Room Renovation:

- Renovates a plant room at Halpin House with approximately £165,000 spent.
- Ensured optimal functionality and efficiency of the facility's systems.

4 Toilet and Shower Upgrade:

- £92,000 was spent on upgrading toilet and shower facilities at Belvedere.
- The project was successfully completed during the financial year, enhancing resident amenities.

5 Expansion and Refurbishment at Bowden Court:

- £126,000 investment in the basement, resulting in additional resident beds.
- Strategically expanding capacity to meet growing demand.

6 Friendship House Roof Project:

- Investment of £190,000 towards the roof project.
- the project aims to add extra beds, currently in the planning stage with Southwark's planning department.

7 Underspend on Capital Works:

- Significant underspend attributed to a £2.2 million provision at Davies Court.
- Cladding works deemed unnecessary due to meeting all safety requirements after extensive investigation.

These capital works not only enhance the quality of our housing accommodation but also represent a strategic investment in the wellbeing and satisfaction of our residents. We look forwards to continuing these efforts in the upcoming budget year, ensuring that our properties remain safe, comfortable, and equipped to meet the evolving needs of our community.

Trustees' Review and Strategic Report

Payment Policy

It is the charity's policy 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 £6,723,067 compared with the previous year's surplus of £12,491,557. There were no movements on the pension scheme as in the previous year due to there being a surplus in the scheme again as at 30 September 2023. There was no adjustment to the values of the LHA property portfolio as in the previous year, when there had been an increase of £9,446,795 due to a revaluation, but having carried out a review of the value of the properties and given market conditions no adjustment was considered necessary this year.

Reserves

As of 30 September 2023, charitable funds stand at £36,457,865 and designated funds at £250,526,549. Within Designated Funds, there is a fixed asset reserve of £250,526,549, 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(LHAS), the subsidiary company, were £180,154 as of 30 September 2023, compared to £299,889 in 2022.

As a charity, LHA is obliged by the Charities Commission to set a policy on reserves, and this establishes a level that 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 balance 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 £4.8m. 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 currently in the planning development at Southwark. The director of estates is currently in the due diligence process for the acquisition of a new site, which will require a substantial amount of the LHA reserves in 2023/24.

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 2023. The trustees have also examined other business operation risks faced by the charity and confirmed they have established systems to mitigate significant threats. The Finance Audit and Risk Committee reviews and updates the Trustee Board as necessary and has identified the following as the highest risks:

- The economic and political environment presents a challenging outlook characterised by pressures on margins and a diminishing scope for strategic planning. Factors such as political and regulatory changes add an additional layer of complexity, potentially impacting costs and sustainability initiatives. In response to these challenges, there is an increased emphasis on profit and loss reviews, with a focus on forecasting. The Board and EMT are closely monitoring these aspects with the financial director, who provides regular reports to the Financial, Risk and Audit (FAR) Committee. This heightened scrutiny reflects a commitment to maintaining stability in the face of economic and political uncertainties.
- Ensuring statutory compliance across assets, operations, and the workplace, particularly by focusing on safeguarding and security, is a multifaceted task. The organisation faces potential legal challenges, claims and financial losses associated with injuries, damages and other unforeseen events. To mitigate these risks, there is an ongoing review and update of policy documents and management processes. Attention is given to maintaining up-to-date H&S policies, implementing reporting procedures, and conducting regular assessments overseen by the H&S Committee and monitored by the FAR Committee. Fire prevention and management controls include annual fire risk assessments, testing of disaster recovery plans, and certification of fire appliances. Specific concerns, such as fire safety in Friendship House and Davies House and the potential significant capital expenditure associated with cladding renewal, are addressed through ongoing evaluations. Regular reporting from the POPC committee ensures transparency, and board presentations include up-to-date H&S and fire assessments, affirming the commitment to maintaining statutory compliance and preventive maintenance schedules.

Trustees' Review and Strategic Report

LHA Services Limited for 2022/23

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

LHAS has a taxable trading surplus and, in accordance with the covenant signed on 1 October 1997, an amount of £16,888 is to be transferred to the charity in 2023/24.

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
27 February 2024

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 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 30 September 2023 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:


David Hoose (Mar 21, 2024 14:46 GMT)

David Hoose (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: 21-Mar-2024

LHA London Limited
Financial statements for the year ended 30 September 2023
Consolidated statement of financial activities

	Notes	General Funds £	Designated Funds £	Total 2023 £	Total 2022 £
Income					
<i>Income from charitable activities:</i>					
Operation of hostels		15,155,587	-	15,155,587	13,521,194
<i>Income from other trading activities</i>	4	242,568	-	242,568	270,768
<i>Income from investments</i>		1,182,959	-	1,182,959	367,633
Total income		16,581,114	-	16,581,114	14,159,595
Expenditure					
<i>Raising funds:</i>					
Commercial trading operations		230,554	-	230,554	133,730
Investment management fees		-	-	-	41,723
<i>Charitable activities:</i>					
Operation of hostels	5	9,627,493	-	9,627,493	9,728,421
Total expenditure		9,858,047	-	9,858,047	9,903,874
Net income before transfers		6,723,067	-	6,723,067	4,255,721
Gross transfers between funds		(584,069)	584,069	-	-
Net income after transfers		6,138,998	584,069	6,723,067	4,255,721
Revaluation of property	10	-	-	-	9,446,795
(Losses) on investment assets	11	-	-	-	(1,252,959)
Net income before actuarial movements		6,138,998	584,069	6,723,067	12,449,557
Actuarial gain on pension scheme	15	-	-	-	42,000
Net movement in funds		6,138,998	584,069	6,723,067	12,491,557
Fund balances brought forward at 1 October 2022		30,318,867	249,942,480	280,261,347	267,769,790
Fund balances carried forward at 30 September 2023		36,457,865	250,526,549	286,984,414	280,261,347

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 2023
Balance sheets

		----- Group-----		----- Charity -----	
	Notes	2023	2022	2023	2022
		£	£	£	£
Fixed assets					
Intangible assets	9	-	3,029	-	3,029
Tangible assets	10	250,526,549	249,942,480	250,526,549	249,942,480
Investments	11	-	-	150,000	150,000
		<u>250,526,549</u>	<u>249,945,509</u>	<u>250,676,549</u>	<u>250,095,509</u>
Current assets					
Stocks	12	16,390	11,594	16,390	11,594
Debtors	13	772,710	574,768	798,764	649,406
Short term deposits		36,122,771	30,774,966	36,122,771	30,774,966
Cash at bank and in hand		<u>1,861,429</u>	<u>1,877,005</u>	<u>1,640,730</u>	<u>1,488,040</u>
		<u>38,773,300</u>	<u>33,238,333</u>	<u>38,578,655</u>	<u>32,924,006</u>
Creditors: amounts falling due within one year	14	(2,315,435)	(2,922,495)	(2,300,944)	(2,908,057)
Net current assets		<u>36,457,865</u>	<u>30,315,838</u>	<u>36,277,711</u>	<u>30,015,949</u>
Total assets less current liabilities		<u>286,984,414</u>	<u>280,261,347</u>	<u>286,954,260</u>	<u>280,111,458</u>
Pension (liability)	15	-	-	-	-
Net assets		<u>286,984,414</u>	<u>280,261,347</u>	<u>286,954,260</u>	<u>280,111,458</u>
The funds of the charity					
Unrestricted funds:					
General		36,457,865	30,318,867	36,427,711	30,168,978
Designated	16	<u>250,526,549</u>	<u>249,942,480</u>	<u>250,526,549</u>	<u>249,942,480</u>
	17	<u>286,984,414</u>	<u>280,261,347</u>	<u>286,954,260</u>	<u>280,111,458</u>

The financial statements were approved by the Trustees on 27th February 2024 and signed on their behalf by:


D Sawyer
Trustee


D Conroy
Trustee

LHA London Limited
Financial statements for the year ended 30 September 2023
Consolidated Statement of Cash Flows

	2023	2022
	£	£
Reconciliation of net income to net cash inflow from operating activities		
Net income for the year	6,723,067	12,491,557
Depreciation charges	979,268	841,006
Amortisation charge	1,136	4,545
Loss on disposal of intangible fixed assets	1,893	-
Loss on disposal of fixed assets	-	1,136,833
(Gain) on revaluation of fixed assets	-	(9,446,795)
Loss on investment assets	-	1,252,959
(Increase) in stocks	(4,796)	(1,764)
(Increase)/decrease in debtors	(197,942)	263,897
(Decrease)/Increase in creditors	(607,060)	844,833
(Decrease) in pension liability	-	(42,000)
Net cash generated from operating activities	<u>6,895,566</u>	<u>7,345,071</u>
Investing activities		
Purchase of tangible fixed assets	(1,563,337)	(2,062,600)
Increase in Short term deposits	(5,347,805)	(30,774,966)
Purchase of investments	-	(7,108,689)
Proceeds from sale of investments	-	30,379,141
Net cash generated used in investing activities	(6,911,142)	(9,567,114)
Net cash (outflow)	<u>(15,576)</u>	<u>(2,222,043)</u>
Decrease in cash in the period	(15,576)	(2,222,043)
Cash and cash equivalents at 1 October 2022	<u>1,877,005</u>	<u>4,099,048</u>
Cash and cash equivalents at 30 September 2023	<u>1,861,429</u>	<u>1,877,005</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.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of 3 months or less from the date of opening of the deposit.

Short-term deposit

Short-term deposit includes investments with a maturity of over three months but not longer than twelve months from the date of the opening of the deposit.

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.

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.
- (c) 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.

3 Financial activities of the charity

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

	2023	2022
	£	£
Total income	16,650,295	14,027,650
Total expenditure on charitable activities	(9,807,493)	(9,818,421)
Investment managers' fees	-	(41,723)
Investment (losses)/gains	-	(1,252,959)
Revaluation of property	-	9,446,795
Actuarial gain on final salary pension scheme	-	42,000
Net income	6,842,802	12,403,342
Total funds brought forward	280,111,458	267,708,116
Total funds carried forward	286,954,260	280,111,458
Represented by:		
General funds	36,427,711	30,168,978
Designated funds	250,526,549	249,942,480
	286,954,260	280,111,458

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	2023	2022
	£	£
Turnover	242,568	270,768
Cost of sales and administrative expenses	(230,554)	(133,730)
Gross profit	12,014	137,038
Interest receivable	4,874	327
Net profit	16,888	137,365
Amount distributed to LHA London Limited	(136,623)	(49,150)
Retained (loss)/profit in subsidiary	(119,735)	88,215

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The assets and liabilities of the subsidiary were:

	2023	2022
	£	£
Current assets	226,570	388,965
Creditors: amounts falling due within one year	(46,416)	(89,076)
Total net assets	180,154	299,889
Aggregate share capital and reserves	180,154	299,889

Included in administrative expenses are rent of £48,000 (2022 - £24,000) and management charges of £132,000 (2022 - £66,000) payable to LHA London Limited and these charges have been eliminated on consolidation.

5 Analysis of charitable expenditure

	Staff costs	Other	Depreciation	Total	Total
	(note 8)		(notes 9&10)	2023	2022
	£	£	£	£	£
Charitable expenditure					
House operating costs	2,020,222	4,313,434	970,579	7,304,235	6,289,452
Support costs	1,555,032	363,575	9,825	1,928,432	3,125,656
Governance costs					
(note 6)	-	47,026	-	47,026	36,503
Donations (note 7)	-	347,800	-	347,800	276,810
Total	3,575,254	5,071,835	980,404	9,627,493	9,728,421

Charitable expenditure

Details of other costs	House operating costs	Support costs	Total	Total
	£	£	2023	2022
			£	£
Repairs & maintenance	947,382	2,622	950,004	890,588
Utilities	1,439,935	2,921	1,442,856	1,124,746
Catering	352,458	-	352,458	196,529
Insurance	314,339	5,614	319,953	274,408
Security	204,579	-	204,579	212,822
Rent and rates	107,675	136,874	244,549	141,461
Cleaning, laundry, waste, pest control	388,356	2,553	390,909	672,622
Other costs	558,710	212,991	771,701	1,934,820
	4,313,434	363,575	4,677,009	5,447,996
Governance costs (note 6)			47,026	36,503
Donations (note 7)			347,800	276,810
Total other costs			5,071,835	5,761,309

LHA London Limited
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6 Governance costs

Governance costs include:	2023 £	2022 £
Audit fees	36,430	21,895
Insurance against Trustees' and Officers' liabilities	10,289	13,907
Trustees' expenses	307	701
	47,026	36,503

7 Donations

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

	2023 £	2022 £
Albert Kennedy Trust	-	28,810
New Horizons	30,000	-
Glass Door	25,100	-
C4WS	30,000	30,000
The Spires Centre	30,000	30,000
St Mary Le Bow	14,700	-
Evolve	25,000	25,000
Zacchaeus 2k Trust	25,000	25,000
Project Seventeen	20,000	20,000
Women & Girls Network	25,000	25,000
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
The Passage	30,000	-
	347,800	276,810

8 Staff costs

	2023 £	2022 £
Wages and salaries	2,737,847	2,228,682
Social security costs	258,569	218,955
Other pension costs	578,838	678,469
	3,575,254	3,126,106

Average number of employees during the year

Head office staff	18	16
Direct maintenance staff	7	6
Hostel staff	59	52
	84	74

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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	2	-
£90,000 - £100,000	-	1
£130,000 - £140,000	-	1
£140,000 - £150,000	-	1
£150,000 - £160,000	1	-
£160,000 - £170,000	1	-

The total of employee benefits, including employer pension contributions received by Key Management Personnel in 2023 is £544,537 (2022: £473,436). 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 2022	22,723
Additions	-
Disposals	(22,723)
At 30 September 2023	-
Amortisation	
At 1 October 2022	19,694
Charge for the year	1,136
Released on disposal	(20,830)
At 30 September 2023	-
Net book value	
At 30 September 2023	-
At 30 September 2022	3,029

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 2022	234,613,165	9,862,421	16,434,804	1,128,111	262,038,501
Additions	-	-	1,488,898	74,439	1,563,337
At 30 September 2023	234,613,165	9,862,421	17,923,702	1,202,550	263,601,838
Depreciation					
At 1 October 2022	-	-	11,134,068	961,953	12,096,021
Charge for the year	-	-	938,972	40,296	979,268
At 30 September 2023	-	-	12,073,040	1,002,249	13,075,289
Net book value					
At 30 September 2023	234,613,165	9,862,421	5,850,662	200,301	250,526,549
At 30 September 2022	234,613,165	9,862,421	5,300,736	166,158	249,942,480

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. During 2022/23, the Director of Estates carried out a review of the value of the properties and given market conditions believes they have not changed materially.

Property improvements include £297,835 (2022: £107,418) of assets under construction.

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11	Investments	Investments in subsidiary undertakings £	Total £		
Market value					
At 1 October 2022 and 30 September 2023		150,000	150,000		
12	Stocks	----- Group ----- 2023 £	2022 £	----- Charity ----- 2023 £	2022 £
	Household equipment and food	16,390	11,594	16,390	11,594
13	Debtors	----- Group ----- 2023 £	2022 £	----- Charity ----- 2023 £	2022 £
	Trade debtors	131,665	87,386	131,665	87,386
	Other debtors	83,662	41,983	83,662	41,983
	Amounts owed from group companies	-	-	26,054	74,638
	VAT recoverable	59,612	59,724	59,612	59,724
	Prepayments and accrued income	497,771	385,675	497,771	385,675
		772,710	574,768	798,764	649,406
14	Creditors: amounts falling due within one year	----- Group ----- 2023 £	2022 £	----- Charity ----- 2023 £	2022 £
	Trade creditors	823,028	1,119,718	822,463	1,118,835
	Other taxes and social security costs	72,086	85,540	72,086	85,540
	Amounts owed to group companies	-	-	-	-
	Other creditors	32,774	28,438	32,774	28,438
	Fees and deposits in advance	756,342	779,340	756,342	779,340
	Accruals	631,205	909,459	617,279	895,904
		2,315,435	2,922,495	2,300,944	2,908,057

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 £148,120 (2022: £135,328).

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 2023 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 30/9/23	At 30/9/22	At 30/9/21
	£'000	£'000	£'000
Fair value of scheme assets	9,594	9,327	10,911
Present value of scheme liabilities	(5,485)	(5,547)	(10,953)
Surplus/(Deficit) in scheme	4,109	3,780	(42)

15 Pension commitments (continued)

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

	2023	2022
	£'000	£'000
Scheme liabilities at start of period	5,547	10,953
Current service cost	53	102
Interest cost	291	222
Actuarial (gains)	(402)	(5,895)
Experienced losses on liabilities	100	358
Changes to demographic assumptions	-	27
Benefits paid & death in service insurance premiums	(104)	(220)
Scheme liabilities at end of period	5,485	5,547

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

Fair value of scheme assets at start of period	9,327	10,911
Interest on assets	499	226
Expected return on scheme assets	(410)	(2,029)
Contributions by employer	282	439
Benefits paid	(104)	(220)
Fair value of scheme assets at end of period	9,594	9,327

The actual return on the scheme assets over the year ending 30 September 2023 was £89,000 (2022: £1,803,000).

Total expense recognised in the statement of financial activities

Current service cost	53	102
Interest cost	291	222
Expected return on scheme assets	(499)	(226)
Total expense recognised in the statement of financial activities	(155)	98

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 (2022: £1,707,000 loss).

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15 Pension commitments (continued)

Assets	2023	2022	2021
	£'000	£'000	£'000
Total assets	9,594	9,327	10,911

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:

	2023	2022
	% per annum	% per annum
Rate of discount	5.60	5.30
Inflation (RPI)	3.25	3.50
Inflation (CPI)	2.65	2.90
Salary increases	2.65	2.90
Pension increases		
Accrued before 1 July 2016	5.00	5.00
Accrued after 1 July 2016	2.65	2.90
Revaluation rate for deferred pensioners	5.00	5.00
Commutation	Nil	Nil

Life expectancy

Male retiring at age 65 in 2022	22.3	22.3
Female retiring at age 65 in 2022	24.7	24.6
Male retiring at age 65 in 2042	23.4	23.3
Female retiring at age 65 in 2042	25.8	25.7

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 5.6% per annum (2022: 5.3%).

15 Pension commitments (continued)

Amounts for the current and previous four periods

	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Fair value of assets	9,594	9,327	10,911	10,016
Present value of scheme liabilities	(5,485)	(5,547)	(10,953)	(11,307)
Surplus/(Deficit) in scheme	4,109	3,780	(42)	(1,291)
Notional asset not recognised	4,109	3,780	-	-
Amount recognised on Balance Sheet	-	-	(42)	(1,291)
Experience adjustment on scheme assets	-	-	-	(396)
Experience adjustment on scheme liabilities	(100)	(358)	(217)	-

16 Designated funds

	Balance at 1 October 2022 £	Transfers £	Revaluation £	Balance at 30 September 2023 £
Fixed asset reserve	249,942,480	584,069	-	250,526,549
	249,942,480	584,069	-	250,526,549

17 Analysis of group net assets between funds

	General Funds £	Designated Funds £	Total Funds £
Intangible fixed assets	-	-	-
Tangible fixed assets	-	250,526,549	250,526,549
Short term deposits	36,122,771	-	36,122,771
Cash at bank and in hand	1,861,429	-	1,861,429
Other net current liabilities	(1,526,335)	-	(1,526,335)
Pension deficit	-	-	-
	36,457,865	250,526,549	286,984,414

18 Operating lease commitments

At 30 September 2023 the group's commitments under non-cancellable operating leases were as follows:

	Land & Buildings	
	2023	2022
	£	£
Less than 1 year	137,281	137,281
Between 2 and 5 years	335,116	472,397
After more than 5 years	-	-
	<hr/>	
Total	472,397	609,678
	<hr/>	

At 30 September 2023, the group's had no capital commitments (2022: the group had no capital commitments).

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 £307 (2022: £701) were reimbursed to 4 (2022: 6) Trustees during the year.

Included in administrative expenses are rent of £48,000 (2022 - £24,000) and management charges of £132,000 (2022 - £66,000) payable to LHA London Limited by LHA Services Limited. The charges were eliminated on consolidation.



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