

**LONDON HIGHER**  
***(A company Limited by Guarantee)***  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

**Charity Number: 1114873**  
**Company Number: 5731255**

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**LONDON HIGHER****REFERENCE AND ADMINISTRATIVE DETAILS****FOR THE YEAR ENDED 31 JULY 2021**

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<b>Auditors</b>	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
<b>Bankers</b>	Royal Bank of Scotland Group (Education Sector) Commercial Banking 3 <sup>rd</sup> Floor, Cavell House 21 Charing Cross Road London WC2H ONN
<b>Registered office</b>	London Higher Tavistock House Tavistock Square London WC1H 9JJ
<b>Company Registration Number</b>	5731255
<b>Charity Registration Number</b>	1114873
<b>Company Secretary</b>	Emmanuela Forte

**LONDON HIGHER SENIOR MANAGEMENT TEAM**

Diana Beech	Chief Executive Officer
Graeme Atherton	Head of AccessHE and NEON (until March 2021)
Richard Boffey	Deputy Head of AccessHE / Head of AccessHE
Chloe Bukata	Head of Communications and External Affairs
Emmanuela Forte	Head of Finance
Alec Webb	Head of Policy and Member Engagement (until June 2021)
Jenny Wetherill	Head of Operations

## BOARD OF TRUSTEES

- Professor Nic Beech, **Vice Chancellor**  
**Middlesex University**
- Dr Peter Bonfield, **Vice-Chancellor** (*Elected Vice-Chair*)  
**University of Westminster**
- Professor Amanda Broderick, **Vice-Chancellor**  
**University of East London**
- Professor Frances Corner, OBE, **Warden**  
**Goldsmiths, University of London**
- Professor Lynn Dobbs, **Vice-Chancellor**  
**London Metropolitan University**
- Professor David Latchman CBE, **Master**  
**Birkbeck, University of London**
- Professor Paul Layzell, **Principal** (*Elected Chair*)  
**Royal Holloway, University of London**

## CO-OPTED TRUSTEES

- Professor Anthony Bowne, **Principal**  
**Trinity Laban Conservatoire of Music and Dance**
- Professor Sir Paul Curran, **President**  
**City, University of London**
- Professor Jenny Higham, **Principal**  
**St George's, University of London (from May 2021)**
- Professor Peter John, **Vice Chancellor**  
**University of West London**
- Professor Wendy Thomson, **Vice-Chancellor**  
**University of London**

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 July 2021.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

1. **Corporate Status.** London Higher is a company limited by guarantee with charitable status. It began as an unincorporated member association in 1999. It was incorporated on 6 March 2006 and registered as a charity in England and Wales on 26 June 2006. The charitable activities of the company were transferred from the University of London on 1 April 2009.
2. **Governing Document.** The company was established under *Memorandum and Articles of Association* dated 6 March 2006 which establish the objects and powers of the charitable company. In addition it operates under a *Members' Agreement* with each member that sets out the nature of the relationship between the company and each member.
3. **Trustees.** Trustees are elected by the members, save a number that are co-opted with regard to specific interests. At date of accounts London Higher has four co-opted Trustees. In addition London Higher Trustees invite observers from a limited number of key stakeholder organisations. London Higher has no observers at this time.
4. **Trustee Induction & Training.** Member Trustees are familiar with the practical elements of the company as higher education institutions (HEIs) have charitable status as providers of education. Each new Trustee is directed to guidance by the Charities Commission and all relevant Governance documents relating to the company. New Trustees are given a briefing on London Higher. Trustees attend an annual Strategy Meeting that includes governance questions.
5. **Sub committees.** London Higher has a Finance Committee and a Remuneration Committee. The Finance Committee reviews the financial activity of the organisation by: monitoring London Higher's performance against budget; advising, supporting and by being a resource for the Head of Finance in overseeing the company's finances; ensuring that the financial elements of the organisation are in accordance with its vision, mission, and strategic plan; advising the board on the financial condition of the organisation; and reviewing the company's Financial Regulations. The function of the Remuneration Committee are to: determine and agree with the London Higher Board the broad policy for the remuneration of London Higher staff; have delegated authority to set individual remuneration arrangements for the most senior London Higher staff including the CEO; and recommend, monitor and note the level and structure of remuneration for London Higher staff.
6. **Structure of the Executive.** The Executive is divided into four business divisions. These are listed below together with their primary functions. Each division is: a) a separate cost centre; b) overseen by an Advisory Group of members; and c) has its own Head of Division/ member of Senior Management Team (SMT) with strategic oversight who reports directly to the Chief Executive. In addition the Chief Executive and Heads of Division meet as a SMT every quarter.
7. **Business Divisions of London Higher:**
  - *London Higher Core*, making the case for HE through our suite of Networks, Special Projects, Executive, Administration and Human Resources
  - *London Medicine & Healthcare*, bringing together London's schools of medicine, dentistry, healthcare and clinical academic institutions to meet, discuss and collaborate;

- *Access HE*, Pan-London organisation enabling provision of support for young people from disadvantaged backgrounds to enter Higher Education; Access HE includes the London National Collaborative Outreach Programme (UniConnect);
  - *NEON*, a national organisation supporting professionals involved in widening access to HE. (Until May 2021)
8. **Decision Making Protocols.** The overall strategic direction of London Higher is set out in a Business Plan that is drawn up by the Executive, approved by the Board of Trustees and agreed by the company members. Each year an Operational Plan is drawn up with the same approvals. The annual Operational Plan sets out the specific initiatives for the year together with expected costs. Heads of Division are responsible for delivering these initiatives on a day to day basis. The SMT monitors progress and each quarter Trustees are given a written Progress Report. In addition any expenditure or income over £50,000, whether agreed in the Operational Plan or not, must be approved by the Board, and London Higher will seek support from the Finance Committee for any expenditure or income over £10,000.
9. **Higher Education Institutions (HEIs).** Publicly funded HEIs in London are our company members. In the *Members' Agreement* they devolve to the London Higher Board of Trustees the power to make decisions on their behalf in the collective interests of the group, or parts thereof. This authority is safeguarded by Advisory Groups for each of our operational divisions which comprise senior representatives from the membership group.
10. **Higher Education Partners.** In response to Government policies aimed at reducing the distinction between publicly funded and other forms of higher education, in 2011 London Higher began to work with other, quality assured providers of higher education in London. We now recognise two additional partnership categories (as distinct from members): publicly funded higher education providers based *outside* London who have opened centres in London; and independent providers (including private providers and not-for-profit providers).
11. **Related Parties.** The policy landscape for higher education is currently set by the Department for Education and the Department of Business, Energy & Industrial Strategy (with some input from the Department for Health when relevant), and is now being implemented by the Office for Students (OfS), the independent regulator of HE in England, having previously been overseen by the Higher Education Funding Council for England (HEFCE). London Higher seeks to influence policy at the local and Government level and to develop and run HE collaborations that reflect national policy and that which are tailored to the London region and the unique nature of the London group of HEIs. London Higher has engaged with OfS on our CUREate project targeted at recruiting arts students into healthcare programmes.
12. Additionally, the Mayor of London, the Greater London Authority (GLA) and the London Economic Action Partnership (LEAP) have interests in higher education as it pertains to the capital. London Higher maintains links with each. Additionally, the Mayor of London, the Greater London Authority (GLA) and the London Economic Action Partnership (LEAP) have interests in higher education as it pertains to the capital. London Higher maintains links with each. Following the pandemic, and the move towards local and national recovery, we have worked closely with the Mayor of London's London Recovery Board, with the CEO appointed to represent Higher Education across the Capital in The President of UUK's absence.
13. **Risk Management.** London Higher maintains a Risk Register which ranks the key risks to which the organisation is exposed, their likely impact and our proposed responses to them. The Risk Register is a standing item on all Board Agendas and at each meeting one risk is examined in detail by the Board. The Risk register is also a standing item at all SMT meetings. The Trustees are satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level.

The principal risks and uncertainties identified by the charity are as follows: It is important to note that the risks and mitigating actions for events that arise from the coronavirus pandemic are covered by risk 1-3, and the London Higher team continue to assess these in light of changing circumstances.

	<b>Risk</b>	<b>Theme</b>	<b>Impact</b>	<b>Mitigation</b>
<b>1</b>	Members leave or do not make contributions/ pay reduced rate.	Financial and reputational.	Reduced services to members and /or reduced staff level - Reporting a loss at year end - No longer able to represent the 'London cluster'.	CEO/Chair/ LH Team have regular 1:1 meetings with all members to inform them of benefits, update them on activity and to receive feedback. - Hold regular network and all-member engagement meetings. - All members offered the opportunity to feedback and approve the LH Business Strategy and Operational Plan. - 12-month notification clause in Mem & Arts. - Use peer group / mutual contacts to persuade otherwise. - Produce a conservative budget to reflect decrease in membership income. - Negotiate partial access to LH services to mitigate representational losses.
<b>2</b>	Reliance or dependence on grant funding.	Financial.	Loss of contribution towards overheads - Staff are made redundant.	- Careful contract management: - Regular financial reporting by Head of Finance. - Maintain good working relationship with funders. - Foster culture of early disclosure concerning problems. - Manage supplier contracts to achieve flexibility. - Keep a close eye on unrestricted reserves. - Prepare a conservative budget.
<b>3</b>	London Higher IT systems are compromised or become inaccessible.	Reputational	-Damage to the reputation of the organisation to be trusted with data - Loss of organisational knowledge & membership contacts/ information	- We use Office 365 (cloud), which can be accessed anywhere and has multiple back-up sites. We test our backup and retrieval systems periodically. - SAGE finance software is backed up to the cloud. - We implement and maintain anti-virus software on all computers as advised by our IT consultants. - We have an IT and data protection policies which staff are reminded of periodically. - All staff complete GDPR training annually
<b>4</b>	LH division becomes untenable financially	Financial and reputational.	- The overheads would be shared out amongst fewer divisions - Loss of prestige	- Regular financial reporting by Head of Finance and monthly management accounts reports. - Regular project updates by head of relevant department & Executive. - More collaborative cross divisional working established and encouraged. - Provide excellent quality internal services to hosted divisions at fair cost.
<b>5</b>	London Higher is perceived as not being politically impartial.	Reputational.	- Members/ stakeholders lose trust in the organisation	- CEO to seek approval from the LH Board on contentious issues. - Executive leadership to monitor minor actions to ensure they are broadly non-partisan. - Foster relationships with key stakeholders across the political spectrum in London and UK Government, and with those in non-political roles.
<b>6</b>	An employee takes London Higher to an employment tribunal	Financial.	- Damages / reparations could impact on financial stability	- Member of the executive with CIPD level 5 employment law qualifications. - Reactive and robust HR procedures which are guided and implemented with support from a paid-for HR specialist service. - Foster culture of early disclosure concerning problems amongst staff.

- 14. Remuneration.** Pay of all staff is reviewed annually and is normally increased to reflect cost of living (COL) adjustment. The education sector average COL and financial situation of the organisation are considered when making this decision. This changes historically had to be authorised by the Remuneration Committee and reported to the Board of Trustees. Since 19-20 COL increases are proposed in the budget which the Board approves, therefore the increase are considered managerial decisions and are not reported to the Remuneration Committee. The Remuneration Committee sets the remuneration package for the CEO and, in doing so, takes account of sector benchmarks and the CEO's annual performance review undertaken by the Chair of the Board. From time to time we ask our HR consultants to perform a pay review to ensure that there are no biases in our pay in regard to age, gender and ethnicity and that the job families are remunerated in reference to the broader market for these roles.

## OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

- 15.** Following the appointment of Dr Diana Beech as CEO in October 2020, London Higher undertook a review of the organisation, speaking to all members and reorienting our approach to representation. We produced a strategic plan, approved by the board, in line with our operational plan which was approved by the members, and we are working to throughout this year. The document defines our mission, aim and priorities.
- 16. Our mission** is to help enable our members, their staff and students to thrive. We help our members to address opportunities and challenges that arise from our shared location in London. We assist and support our members to achieve their goals whilst being a collective voice, garnered through our networks and taking this message to our key stakeholders. We influence and work with stakeholders and networks as a trusted, non-partisan and professional partner.
- 17. Our Vision:** We support our members by advocating for and on behalf of London HE. It is our aim to become a well-respected "go to" representative body for higher education in London to ensure the success of all our members. We therefore act in ways that reflect our six core purposes as:
- a) A convenor: Hosting powerful and highly influential networks and events and providing opportunities for collaborative initiatives.
  - b) A communicator: Providing a collective influential voice for our members and promoting London as the destination of choice for students and staff.
  - c) A campaigner: Expertly responding to policy concerns through advocacy campaigns, raising awareness for members and creating new opportunities for partnership.
  - d) A champion: Promoting London's contribution to local, national and global economies, and endorsing London as a pre-eminent world city for all students, staff, research and enterprise.
  - e) A collaborator: Working across member institutions, through our wide-ranging networks, to take key issues and solutions to the heart of local and national government.
  - f) A co-creator: Working with members to create policies and positions that reflect the "London voice" and have as their aim a strong and healthy London higher education sector.

Every year we will provide an annual review which reflects on the goals outlined in the Business Strategy and an Operational plan detailing how we aim to achieve them that year. These documents are voted on at our AGM and uploaded to our website.

- 18. Our Priorities** include the following:
- a) **Articulate the London perspective in all relevant debates**, creating channels for our members to engage with key stakeholders, including the GLA, MPs, Government departments



across Whitehall and beyond. Developing strong working relationships with relevant local and national officials. And convening our members on major issues such as the 'levelling up' agenda and the student experience, whilst responding to emerging policy changes, from Covid-19 to Brexit.

- b) **Showcase London as a world-class HE destination and centre of excellence**, promoting London's contribution to local, national and global communities and endorsing London as a pre-eminent world city for students, staff, research and enterprise. Exploring the impact and experience of staff and students in London through the forums provided by our networks and providing briefings and analysis of the latest data for London.
- c) **Restructure the London Higher team**, Integrating AccessHE into the London Higher core team and creating a dedicated resource for our health networks. Building resilience between different staff roles and streamlining our offering into strategic priority areas to bring about tangible and positive outcomes for our members.

**19. Measuring our success.** We will measure our impact by consulting with members through a newly developed member survey, as well as in discussion with our stakeholders. Additionally, following the appointment of Dr Diana Beech, we have become better connected to our members' senior teams and policy executives, through regular meetings and through our reformed network offering. We understand the importance of demonstrating value to our members and determining our success. We have introduced a RAG rating system for our strategic priorities that will be discussed at Board meetings. Details on how we aim to deliver and manage our success can be found in our business strategy.

**20. Public Benefit.** Our work is informed by the need to act for the benefit of the public. In doing this we reference the Charities Commission guidance on public benefit. We engage with over forty HEIs. In London universities employ 223,000 people, with nearly 380,000 students attending higher education providers in the city. We benefit them in various ways as will be shown below, but in all cases our test is whether an action of ours will result in universities providing a richer experience for their staff and/or students in London. A 'secondary public' comprises a wider group of stakeholders with whom HE students and staff interact throughout their lives, from employers, parents and children, to policy makers and sectoral stakeholders in both higher education and place, all of whom gain benefit from an effective and full higher education experience.

**21. Fundraising.** London Higher has not carried out any fundraising from the general public during the year. There has been no outsourced fundraising via professional fundraisers or other third parties and as a result the organisation is not registered with the fundraising regulator and received no fundraising complaints in the year.

## ACHIEVEMENTS AND PERFORMANCE

**22.** For more than twenty years *London Higher* has been working with universities and higher education colleges in London. Our mission is to support universities in meeting the challenges and opportunities of providing diverse higher education in London. We do this by: 1) identifying what the challenges and opportunities are through our wide network offering; 2) assessing the impact, extent or volume of such challenges or opportunities on our members and the wider public, through our surveys and analysis of HE data; 3) designing, appropriate measures to address the challenges or opportunities through our projects, collaborations, advocacy work; and 4) sharing this (and other) information with our members and the wider policy environment to promote our work through our events. This cycle of engagement-action-promotion is how we ensure that our outputs met our goals, and our goals are appropriate and have impact. During our existence we have earned a deserved reputation for advocating and promoting

London's HEIs and supporting our members in their responses to the challenges and opportunities that have emerged.

**23. Outputs.** Our outputs are diverse including a wide range of networks, advisory groups and publications, as well as campaigns and data analysis, promotional material, meetings and workshops, lobbying and receptions. In this section we give summaries of some of the main activities each of our divisions has undertaken during the past year.

a) **London Higher Core** aims to create an ongoing and robust evidence-base in support of HE in the capital. In particular it seeks to: understand the challenges and opportunities London Higher members and partner institutions face; conceive, develop and manage responses that address these challenges and opportunities; and promote the impact of London's HE sector on the social, cultural and economic development of the region and beyond. During the year we:

- Continue to promote London's contribution to local and national economies, and showcase London as a global destination of research and study, from the Covid-secure Charter (July 2020). Designed by our Operations group to showcase the role of London's HEIs in keeping their campuses and the city safe and secure to Mayoral Priorities document – putting London HE at the heart of the capital's recovery (May 2021), Showcasing the strength of London's HE sector, and the huge role we will play in the capital's recovery.
- By expertly responding to policy concerns through large-scale advocacy campaigns, we seek to raise awareness of our members' positions within Government. Responding to the OfS consultation on recurrent funding, London Higher worked with members and Frontier Economics to produce a report looking at the potential impact of removing the subsidy.
- We have also worked with partner organisations to highlight members integral role in the capital's and the UK's recovery, in particular with business organisation London First, with regard to the economic position of London post the covid pandemic and members role in its recovery.

b) **London Medicine & Healthcare** brings together senior representatives from across London's schools of medicine, dentistry, clinical academic disciplines, nursing, midwifery and the allied health professions. Through its two standing membership networks, London Medicine (for medical schools and clinical academic institutes) and the Healthcare Education Group (for nursing, midwifery and the allied health professions), London Medicine & Healthcare provides a discussion platform pertaining to the delivery of medical and healthcare education and training in London. Activities throughout the year were heavily impacted and shaped by the ongoing COVID-19 pandemic. During the year we:

- Have actively arranged discussions with colleagues from the NHS and HEE (Higher Education England) about the impact of and response from London higher education institutions during the COVID-19 pandemic. These calls continued to be weekly throughout the Christmas period, and proved invaluable to organization of staff across the capital.
- Publication of our report evaluation of LHEG universities' Covid-19 response in allied healthcare. This report describes the efforts made by healthcare students, university staff, NHS staff and the broader higher education community in London during the first wave of Covid-19. Drawing on 23 in-depth interviews, it illustrates the experiences of

those on the frontline, the challenges that they faced, the sacrifices that they made, and the immense impact that their efforts had.

- Completion of the Office for Students Strategic Interventions in Health Education Disciplines (SIHED) Challenge Fund, in line with the revised project plan compiled following the onset of the coronavirus pandemic. Our project, CUREate, has elevated awareness of postgraduate entry routes into health, tailored to the needs and interests of London's sizable creative student community. This was completed in March 2021.

c) **AccessHE** is a key division of London Higher and the pan-London network supporting underrepresented learners to access and succeed in higher education (HE). AccessHE does this by facilitating collaborative outreach and student support work that brings together HE providers, schools, colleges and local government. It is the largest regional membership organisation of its kind in England, representing 28 HEI members. During 2020-21 we:

- Delivered outreach activity to over 3000 learners as a partner in the London strand of the OfS' Uni Connect Programme.
- Published two research reports, looking respectively at the impact of Covid-related learning loss on HE progression in London, and at degree awarding gaps by ethnicity in London. The reports provided an evidence base to underpin AccessHE members' outreach strategies and their work to address gaps in student outcomes.
- Delivered and secured external funding for two community-based outreach projects, one in Tower Hamlets and one in Hackney, providing support and HE advice and guidance to young Londoners whose education had been acutely impacted by the pandemic. These were delivered in partnership with AccessHE members.
- Ran a programme of professional development and signposting sessions for London-based teachers and careers advisers that enabled them to access local HE-led outreach.
- Ran two roundtable events for our members, with input from UCAS and from current students at AccessHE HEIs, to support them in achieving shared access and participation objectives.

d) **NEON (National Education Opportunities Network)** was founded in 2012 and is the professional organisation for widening access to higher education and social mobility in the England. NEON undertakes professional development delivery, fosters collaboration, and carries out research and advocacy related work. NEON has over 150 members including over 107 higher education institutions and since 2012 over 8241 people have attended its events. In 2020-21 it delivered nearly 35 events among which its two largest events online, - NEON's annual Symposium and Awards (over 200 delegates attended). As a result of the lockdown these events were deferred in 2019-20 to 2020-21.

NEON continued however to convene its national working groups which reached over 1000 of our members in 2020-21. NEON produced a number of influential research reports; including 'The outlook for outreach': this report shows investment in widening access to higher education to fall if Uni-Connect programme not renewed, 'Will abolishing BTECs mean reversing widening access to higher education?': the report shows evidence that the proposed reforms to Level 3 qualifications may set back government efforts to widen access to higher education (HE) by at least 5 years and 'The Future of Student Outcomes': the report argues for student focused approach to improving higher education outcomes. NEON developed its new initiative Uni4Me to include 12 'Uni4Me Live' events, these events to broadcast live subject related content through Uni4Me. NEON also held the third World Access to Higher Education Day (WAHED) - WAHED24, based around 'Access and Success in the Post Pandemic world' and featured a series of six events

- over 600 delegates registered for these events. In addition, there were a further 48 events that took place that were registered via the WAHED website.

In December 2020, following the departure of one member of staff the decision was made that London Higher would help facilitate the temporary transfer across UWL as it establishes itself as an independent organisation. It was agreed with UWL that Neon last day at London Higher would be the 28th of May. Assets and Liabilities accrued from 1st of June onwards were wholly transferred to UWL promptly on the 18 June 2021. At year end 31 July 2021 Neon presented a profit of just over £4,000 in London Higher books.

Profits made by the division in the past (total of £73,247 as 31 July 2021) are classified as Unrestricted funds (part of free reserves) and are shown on the Statements of Funds as a transfer from the NEON division to London Higher for the purpose of presenting the disposal.

- e) **London Higher Europe.** London Higher Europe ceased operations last year and continues not to meet. This was due to ongoing uncertainty pertaining to Brexit and London Higher Europe running at a loss. Through engagement with members there were questions raised about the value members were receiving, especially if fees were to be raised. London Higher has formed and introduced an international network, designed to reflect the current policy landscape and including EU students. All members of London Higher are invited to participate in this group and does not reflect an extra cost to the member.
- f) **Special Projects.** Alongside our Save London Weighting campaign, we have focused on the impact of COVID-19 by demonstrating the importance of London's HEIs in ensuring the city is safe and welcoming to staff and students, as well as to residents. We have also worked with partner organisations to highlight members integral roles in the capital and the UK's recovery. This year we have been developing the following for the benefit of members though this challenging time:
- Responding to the OfS consultation on recurrent funding, London Higher worked with members and Frontier Economics to produce a report looking at the potential impact of removing the London weighting subsidy. Investing in a major research report, we engaged with parliamentarians and policymakers and generated media interest in the topic – in London, in the HE sector and nationally with the aim of getting UK Government to reconsider plans to cut the 'London Weighting' element of the Strategic Priorities Grant which is given to higher education institutions across the capital
  - We also partnered with Study London on The "Next Step" campaign (January 2021), promoting study in London internationally in response to the coronavirus crisis, resulting in increased awareness of the opportunities in London for students across the globe
  - Series of strategic conversations to shape the future direction and policy outputs of London Higher for the upcoming academic year.

More details of these activities are presented in our *Annual Report* to members which can be downloaded from our website: <https://www.londonhigher.ac.uk/wp-content/uploads/2021/07/Annual-review-2020-21.pdf>

## FINANCIAL REVIEW

24. Our financial goal is to maintain and expand member services by offering an effective and transparent financial regime. In 20-21 the company concentrated on the need to reassure prospective international students, and the need to respond to the threat to remove the London Weighting element of the teaching grant. The Board members agreed to fund these out of reserves.

Total Income (£1,333,028) decreased by £246,823, 16%, compared to 2019-20 (£1,579,851). The main factors were as follow: 1) Membership Income decreased by £75,254 or 15% (LH Core down by 14%,

LHEurope down 100% as the division was discontinued last year, NEON down by 45% as the division ceased trading under LH in June 2021). 2) Projects and Event Income decreased by £145,281 or 52% mainly due to Neon departure but also because AHE was unable to raise any project income (as it did in the past) due to the restrictions in place due to the COVID 19 pandemic imposed in 20-21.

Grant Income was also reduced from last year although only by £25,000 the equivalent of 4%.

LH Centre Groups, LMHC and AHE all had an increase in membership income however, the combined increase was not sufficient to offset the income decrease generated by the above.

Total expenditure decreased (£1,339,540) by £225,926, 14%, compared to 2019-20 (£1,565,466). Direct Costs decreased by £183,595 or 15%, (LH Core down by 19%, LH Europe down by 100% as the division was discontinued last year, NEON down by 36% as the division ceased trading under LH in June 2021, Curate also seen almost no spending as the project concluded the previous year) and Support Costs decreased by £42,332 or 24%. HR Costs contributed to most of the savings, although comparison with previous year is a little imbalanced as last year was really a one-off year for HR costs as we had the departure and recruitment for the CEO post.

- **London Higher Core Membership** - In September 2020, London Higher invoiced 31 institutions for a total of £363,000.
- After a review of the unrestricted reserves, the SMT proposed not to apply a CPI increase and to keep the fee at the same level as previous year. The Board ratified the proposal.
- **LMHC** issued membership invoices in October 20 for a total of £77,331. Under the umbrella of London Medicine and Health Care, also sit Curate and Mental Health projects (the latter due to be completed in January 2021).
- **AHE** raised a total Income of £144,900 between August 2020 and July 2021.
- **NCOP** is a restricted grant and invoices are being issued one month after the work is completed. A funding schedule has been agreed in late March 20 at a reduced rate compared to previous years. Because of the pandemic, the NCOP team was unable to deliver some of the agreed school activities and this resulted in a surplus at the year-end 19-20. London Higher has agreed to repay that amount back to Kingston in January 2021 (£58,102).
- **NEON** raised a combined total Income of £150,875 for membership, and events. The amount came under budget by £39,125 or 17%. (pro-rata budget at £190,000) as the division departed from London Higher in June 2021. Expenditure of £146,395 were down by £36,937 or 20%. Net profit as June 2021 £4,479.

**25. Reserves Policy.** Total funds as 31 July 2021 are £739,558 (2020: £804,173). Of the total funds, £48,404 (2020: £125,131) were represented by restricted funds and £691,154 (2020: £679,042) by unrestricted funds. Free Reserves (i.e. unrestricted funds excluding fixed assets and amounts designated) stood at £670,402 (2020: £657,164) at 31 July 2021.

The London Higher reserves policy is to hold unrestricted funds to cover between three to six months expenditure, to cover staff costs, overheads and a scaled down level of administration and project expenditure. This applies to all divisions. The current level of unrestricted reserves of £691,154 meet the criteria.

Within designated funds, £17,500 are designated for IT capital expenditure. This is to replace current IT hardware when it becomes necessary to do so. The IT fund would be used to replace ageing IT. Back in 2017 we extended the life of our current PC's by installing Solid State Drives but by 2021 many of them will be in excess of seven years old and will need replacement. London Higher has started the replacement process in October 2021. The £17,500 would include software and installation for all purchases. £2,326 within the designated fund represents the net book value of assets. Also, within Designated Funds we have the EAIE funds of £926 which relates to a project which started in Sept 2019. Because of the pandemic, London Higher was unable to continue the programme for another year. The

carried forward amount will be used towards the direct delivery costs of some similar activity or returned to the participating members.

## PLANS FOR 2021-22

**26. Financial Plan.** For the 2020-21 financial year we are forecasting income of just around £959,000. In June 2021 we circulated a costed Operational Plan for 2021-22 to all members which indicates how this money will be disbursed. In January/February 2022 we revise the Plan to reflect the post-audit position.

**27. Strategies for the year.** Our initiatives this year include:

- Produce a sustainability report, coinciding with COP26 and detailing the importance of London's higher education institutions as leaders on the 'green' agenda
- Increase member engagement and ad hoc meetings to respond to the evolution of the pandemic and the changing policy context.
- Reform and enhance our networks to ensure that we are collaborating across the breadth of higher education in London, offering activities in areas valued most by members
- Launch the Wellbeing Connect toolkit, enabling students and university welfare officers to better access mental health services, whenever in the city they live.
- Create and launch 'The London Higher Civic Map', showcasing the initiatives and impact of our members across the City of London and the 32 London boroughs. This will be a living document and regularly updated.
- Launch a strategic working group to sit under the International network, with a view to launching an International Education Strategy for London for the next academic year.
- Design and run a 'London is local' campaign to ensure policymakers recognise London's levelling up needs and the contribution of our members to local Londoners.
- Conduct research into the importance of postgraduate higher education in London and produce a report acknowledging the vital role London plays in bolstering the UK research talent pipeline.

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**28.** The Trustees (who are also Directors of London Higher for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

**29.** Company law requires Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

31. In so far as the Trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware;
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information; and
- in all material respects income from grants and income for specific purposes and from other restricted funds administered by London Higher have been applied only for the purposes for which they were received.

#### APPROVAL

**Declaration.** Trustees have prepared this report in accordance with the Special Provisions of Part 15 of the Companies Act 2006. In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by Section 415A, the Companies Act 2006.

32. **Resolution.** Approved by the London Higher Board of Trustees on 18 January 2022 and signed on its behalf by:



.....  
**Professor Amanda Broderick**  
Chair, London Higher

## Independent auditor's report to the members of London Higher

### Opinion

We have audited the financial statements of London Higher for the year ended 31 July 2021 which comprise Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flow 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 Financial Reporting Standard 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 charitable company's affairs as at 31 July 2021 and of the charitable company's net movement in funds, including the 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 charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Annual Report (which includes the strategic report 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 strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

Based on our understanding of the and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to Charity Law, GDPR and employment law and we considered the extent to which non-compliance might have a material effect on the financial statements. We

also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006, Charities Act 2011 and the Charities SORP.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the NEON transfer, manual journal postings, recognition of membership income and grant income. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Challenging assumptions and judgements made by management in their critical accounting estimates such as , the dilapidations provision and pension liability.
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities, including operating sufficiently during the Covid-19 remote working period;
- Identifying and testing journal transactions which may pose a heightened risk of misstatement whether due to fraud and error, in particular those posted with unusual descriptions, postings by unusual users or posted at unusual or specific points in time.

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

#### Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kathryn Burton (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place  
London  
EC4R 1AG

Date: 20 January 2022.....

## STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating and Income and Expenditure Account)

FOR THE YEAR ENDED 31 JULY 2021

Company number 5731255

		Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	Notes	£	£	£	£
<b>Income from:</b>					
Charitable activities					
<i>Membership income</i>	3	637,275	-	637,275	712,529
<i>Grants</i>	3	-	559,108	559,108	584,108
<i>Other</i>	3	134,586	-	134,586	279,867
Investment income	3	2,059	-	2,059	3,347
<b>Total income</b>		<u>773,920</u>	<u>559,108</u>	<u>1,333,028</u>	<u>1,579,851</u>
<b>Expenditure on:</b>					
Charitable activities	4	<u>761,808</u>	<u>577,732</u>	<u>1,339,540</u>	<u>1,565,466</u>
<b>Total expenditure</b>		<u>761,808</u>	<u>577,732</u>	<u>1,339,540</u>	<u>1,565,466</u>
<b>Net income/(expenditure)</b>	2	12,112	(18,624)	(6,512)	14,385
Brought forward refunded		-	(58,103)	(58,103)	-
<b>Net movement in funds</b>		<u>12,112</u>	<u>(76,727)</u>	<u>(64,615)</u>	<u>14,385</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>679,042</u>	<u>125,131</u>	<u>804,173</u>	<u>789,788</u>
<b>Total Funds carried forward</b>		<u><u>691,154</u></u>	<u><u>48,404</u></u>	<u><u>739,558</u></u>	<u><u>804,173</u></u>

All amounts derive from continuing activities except for the Neon project. The income and expenditure relating to this project in the year were £150,874 and £146,393 respectively. (Net Income of £4,479). Further details of the Neon transfer can be found on page 10 and 12. There are no other gains or losses other than those shown above. The comparative Statement of Financial Activities is on note 16.

The notes on pages 21 to 33 form part of the accounts.

	Note	2021 £	2020 £
<b>FIXED ASSETS</b>	7	2,326	3,452
<b>CURRENT ASSETS</b>			
Debtors	8	64,870	56,973
Cash at bank and in hand		788,626	1,014,385
		853,496	1,071,358
<b>CREDITORS: amounts falling due within one year</b>	9	(116,264)	(270,637)
<b>NET CURRENT ASSETS</b>		737,232	800,721
<b>NET ASSETS</b>		739,558	804,173
<b>FUNDS</b>			
Unrestricted funds			
General funds	11	672,222	657,164
Designated funds	11	18,932	21,878
Restricted funds	11	48,404	125,131
		739,558	804,173

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board of Trustees on 18 January 2022 and were signed on their behalf by:



.....  
Professor Amanda Broderick  
Chair, London Higher

	2021 £	2020 £
<b>Cash flows from operating activities:</b>		
Net income for the reporting period (as per the statement of financial activities)	(64,615)	14,385
<b>Adjustments for:</b>		
Depreciation charges	1,126	1,295
Interest received	(2,059)	(3,347)
Decrease/(increase) in debtors	(23,798)	95,684
Increase/(decrease) in creditors	(138,472)	129,695
<b>Net cash provided by/(used in) operating activities</b>	<b>(227,818)</b>	<b>237,712</b>
<b>Cash flows from investing activities</b>		
Investment income	2,059	3,347
<b>Net cash provided by investing activities</b>	<b>2,059</b>	<b>3,347</b>
<b>Cash flows from capital expenditure and financial investment</b>		
Payments to acquire tangible fixed assets	-	(2,058)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(2,058)</b>
Change in cash and cash equivalents in the reporting period	(225,759)	239,001
Cash and cash equivalents at the beginning of the reporting period	1,014,385	775,384
Cash and cash equivalents at the end of the reporting period	788,626	1,014,385

Reconciliation of net debt	2020 At the start of the year	Cashflow	2021 At the end of the year
	£	£	£
Cash in hand	1,014,385	(225,759)	788,626
<b>Total cash and cash equivalents</b>	<b>1,014,385</b>	<b>(225,759)</b>	<b>788,626</b>

The notes on pages 21 to 33 form part of the accounts.

## 1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

### **Basis of preparation**

The financial statements have been prepared under the historic cost convention and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the 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.

The organisation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

### **Legal status**

The Charity is a company limited by guarantee, incorporated in England and Wales (company number: 5731255) and a charity registered in England and Wales (charity number: 1105500). The charity meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The functional currency of the charitable company is considered to be GBP because that is the currency of the primary economic environment in which it operates.

### **Preparation of accounts on a going concern basis**

We continued to be effected by the pandemic during 20-21 but the London Higher scope of work remained focused and in line with the members' objectives, as well as the sector as a whole. All the members are engaging together to address the future of London's students. This robust collaboration and the positive feedback have given London Higher more confidence about the future. After so many years in the collaboration with Kingston Uni, London Higher plans to re applied for restricted funding from OfS. A decision on whether we have been successful will be made in March 2021. Having taken all these elements into consideration and carry out a cash flow forecast for the next 18 months which highlights different scenarios, the Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The ability to manage the company assets, the reserves levels and future plans gives Trustees confidence the charity remains a going concern for the foreseeable future.

### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of these accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that

**1. ACCOUNTING POLICIES (continued)**

period, or in the period of the revision and future periods if the revision affects current and future periods. The Trustees consider the following items to be areas subject to estimation and judgement:

Pensions:

FRS 102 makes the distinction between a Group Plan and a multi-employer scheme. A Group Plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss. The Trustees are satisfied that the scheme provided by USS meets the definition of a multi-employer scheme.

The USS pension scheme is in a deficit position and a proportion of the contributions London Higher is paying to the scheme is in relation to funding the deficit. FRS 102 requires that you must recognise a liability for the fair value of any contributions payable that arise from an agreed deficit repayment plan between employer and a pension scheme. Whilst the scheme documentation does provide a stated % figure of the ongoing contributions which can be attributed to deficit repayment, the payment amount is based on future salaries rather than a specified fixed repayment plan. On this basis, the deficit contributions are not reliably measurable and as such no liability has been recognised.

**Income**

All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

Grants are recognised in full in the statement of financial activities in the year in which the charity has entitlement to the income, the amount of income receivable can be measured reliably and there is probability of receipt.

Investment income relates to interest on from bank balances and is accounted for on an accruals basis.

Deferred income represents amounts receivable for future years where conditions are attached which must be fulfilled before unconditional entitlement, or grants which can only be spent in future years. The deferred income is released when entitlement to the income is confirmed.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

London Higher  
London Medicine & Healthcare  
Access HE  
NEON  
NCOP

Membership and charitable activity costs include expenditure which is directly attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

**1. ACCOUNTING POLICIES (continued)**

Support costs are those functions that assist the work of the charity but do not undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities.

Governance costs are costs incurred in connection with the strategic management of the charity and in compliance with constitutional and statutory requirements. These costs have been allocated to charitable activities. The basis on which support costs have been allocated across the categories on the basis of the proportion of time spent by staff on those activities.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets on a straight line basis to write off the cost, less estimated residual value, over their expected useful lives as follows:

IT equipment	3 years
Fixtures and fittings	3 years
Furniture	3 years

The charity's capitalisation policy is for any items over £500.

**Operating leases**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**Pension scheme**

The Charity participates in the Universities Superannuation Scheme (the scheme). Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

**Employee benefits**

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

**Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, trade and fee debtors, staff loans, other debtors, prepayments and accrued income. A specific provision is made for debts for which recoverability is in doubt. Cash and cash equivalents are defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost, fees in advance, trade creditors and other creditors and amounts owed to group undertakings.



**1. ACCOUNTING POLICIES (continued)****Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Cash at bank and in hand**

Cash at bank and cash in hand includes cash held on site and within bank accounts.

**Creditors and provisions**

Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**Funds**

Funds held by the charity are either:

- Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- Unrestricted designated funds – these are funds which the Trustees have set aside for specific purposes, and can be used in accordance with the charitable objects at the discretion of the trustees.
- Restricted funds – these are funds that can only be used for particular purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular purposes.

<b>2. NET INCOME</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>This is stated after charging:</b>		
Auditors remuneration (excluding VAT)		
- current year	10,000	10,000
Depreciation	1,126	1,295
Operating lease rentals	53,363	52,500
	<u>          </u>	<u>          </u>
<b>3. INCOME</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Membership Contributions</b>		
London Higher Members	363,300	424,200
London Higher Europe	-	16,333
London Medicine	72,330	61,331
London Partners	40,493	27,500
Access HE	125,542	118,959
NEON	35,610	64,206
	<u>          </u>	<u>          </u>
	637,275	712,529
<b>Grants</b>		
Ofs	559,108	584,108
	<u>          </u>	<u>          </u>
	559,108	584,108
<b>Other</b>		
Project & event income	134,586	279,867
	<u>          </u>	<u>          </u>
	134,586	279,867
	<u>          </u>	<u>          </u>
<b>Total charitable income</b>	<b>1,330,969</b>	<b>1,576,504</b>
	<u>          </u>	<u>          </u>
Investment Income	2,059	3,347
	<u>          </u>	<u>          </u>
	2,059	3,347
	<u>          </u>	<u>          </u>
<b>Total income</b>	<b>1,333,028</b>	<b>1,579,851</b>
	<u>          </u>	<u>          </u>

4. ANALYSIS OF CHARITABLE EXPENDITURE	Direct Costs £	Support Costs £	Total 2021 £	Direct Costs £	Support Costs £	Total 2020 £
London Higher	394,552	38,637	433,189	487,998	90,110	578,108
London Higher Europe	-	-	-	22,574	-	22,574
London Medicine & Healthcare	44,210	10,850	55,060	45,668	7,000	52,668
Access HE	87,164	40,000	127,164	85,479	37,500	122,979
NEON	126,396	20,000	146,396	196,344	17,000	213,344
NCOP	518,856	20,000	538,856	506,323	20,000	526,323
Curate	997	-	997	31,631	-	31,631
Mental Health	36,837	1,041	37,878	16,590	1,250	17,840
	<u>1,209,012</u>	<u>130,528</u>	<u>1,339,540</u>	<u>1,392,607</u>	<u>172,860</u>	<u>1,565,467</u>

**2021**  
**£**

**2020**  
**£**

**Support costs**

Occupancy Cost	89,443	84,834
Administration Cost	14,142	20,505
Human Resource Cost	9,107	36,950
Depreciation	1,126	1,295
Communication Cost	204	4,472
Governance (Note 5)	12,583	13,176
Strategy Development	2,020	9,742
Banking Costs	1,903	1,886
	<u>130,528</u>	<u>172,860</u>

<b>5. GOVERNANCE COSTS</b>	<b>2021 £</b>	<b>2020 £</b>
Audit and related fees (including VAT)	12,570	12,090
Trustees meetings	-	1,073
Company house filing	13	13
	<u>12,583</u>	<u>13,176</u>

<b>6. ANALYSIS OF STAFF COSTS</b>	<b>2021 £</b>	<b>2020 £</b>
Wages and Salaries	668,794	846,282
Social security costs	61,316	67,989
Pension costs	107,130	120,624
Recruitment expenses	1,455	34,564
	<u>838,695</u>	<u>1,069,459</u>

Included within Wages and Salaries are redundancy, settlement, termination payments made in the year of £nil (2020: £76,089).

The average number (headcount) of employees was:

	<b>2021 Number</b>	<b>2020 Number</b>
London Higher	7	8
London Medicine & Healthcare	1	2
Access HE	2	2
Mental Health	1	1
NEON	2	4
NCOP	6	4
	<u>19</u>	<u>21</u>

During the year there were two employees (2020: two) who received emoluments exceeding £60,000 and to whom retirement benefits are accruing under a defined benefits scheme.

The remuneration falls into the following brackets:

	<b>2021 Number</b>	<b>2020 Number</b>
£70,000 - £80,000	-	1
£90,000 - £100,000	1	-
£150,000 - £160,000	-	1
	<u>-</u>	<u>1</u>

Pension contributions payable by the Charity for the higher earners in the year were £23,258 (2020: £34,744).

No trustee received remuneration or reimbursement for expenses during the year (2020: Nil).

The key management personnel are defined as the CEO, Head of Finance and Head of AccessHE and NEON of which the total employee benefits in aggregate for the year were £216,011 (2020: £280,154).

<b>7. TANGIBLE FIXED ASSETS</b>	<b>IT Equipment £</b>	<b>Fixtures &amp; Fittings £</b>	<b>Furniture £</b>	<b>Total £</b>
<b>Cost</b>				
At 31 July 2020	23,160	30,510	16,030	69,700
Additions	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 July 2021	23,160	30,510	16,030	69,700
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation</b>				
At 31 July 2020	19,850	30,477	15,921	66,248
Charge for the year	1,093	33	-	1,126
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 July 2021	20,943	30,510	15,921	67,374
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net Book Value</b>				
At 31 July 2020	3,310	33	109	3,452
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 July 2021	2,217	-	109	2,326
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

All assets are held for operational purposes

<b>8. DEBTORS</b>	<b>2021 £</b>	<b>2020 £</b>
Trade debtors	45,502	45,671
Other debtors	-	-
Prepayments and accrued income	19,368	11,302
	<u>          </u>	<u>          </u>
	64,870	56,973
	<u>          </u>	<u>          </u>

<b>9. CREDITORS: amounts falling due within one year</b>	<b>2021 £</b>	<b>2020 £</b>
Trade creditors	38,129	84,967
Accruals	44,751	93,598
Deferred income (see below)	32,458	75,573
Other creditors	926	16,499
	<u>          </u>	<u>          </u>
	116,264	270,637
	<u>          </u>	<u>          </u>

Deferred income	2021 £	2020 £
Balance at start of the year	75,573	48,948
Amounts released to income	(75,573)	(48,948)
Amounts deferred in the year	32,458	75,573
	<u>32,458</u>	<u>75,573</u>
Balance at the end of the year	<u>32,458</u>	<u>75,573</u>

Deferred income relates to grants & membership income invoiced/received in the year for the next period.

## 10. STATEMENT OF FUNDS

	Brought forward at 01/08/2020 £	Income £	Expenditure £	Transfers £	Carried forward at 31/07/2021 £
<b>Restricted funds</b>					
Curate	869	-	(998)	-	(127)
Mental Health	66,160	-	(37,878)	-	28,282
NCOP	-	559,108	(538,857)	-	20,251
NCOP refund	-	-	-	-	-
	<u>67,029</u>	<u>559,108</u>	<u>(577,733)</u>	<u>-</u>	<u>48,404</u>
<b>Unrestricted funds</b>					
<i>General funds</i>					
London Higher	369,680	405,852	(433,189)	86,201	428,544
London Higher Europe	7,348	-	-	(7,348)	-
London Medicine & Healthcare	122,246	72,330	(55,060)	-	139,516
Access HE	84,643	144,862	(127,163)	-	102,342
NEON	73,247	150,876	(146,396)	(77,727)	-
	<u>679,042</u>	<u>773,920</u>	<u>(761,808)</u>	<u>-</u>	<u>691,154</u>
<i>Designated funds</i>					
Fixed asset fund	3,452	-	-	(1,126)	2,326
EAIE fund	926	-	-	-	926
IT fund	17,500	-	-	-	17,500
	<u>679,042</u>	<u>773,920</u>	<u>(761,808)</u>	<u>-</u>	<u>691,154</u>
<b>Total Unrestricted funds</b>	<u>679,042</u>	<u>773,920</u>	<u>(761,808)</u>	<u>-</u>	<u>691,154</u>
<b>Total funds</b>	<u>804,173</u>	<u>1,333,028</u>	<u>(1,133,540)</u>	<u>-</u>	<u>739,558</u>

**10. STATEMENT OF FUNDS (continued)**

<b>PRIOR YEAR</b>	<b>Brought forward at 01/08/2019 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>Carried forward at 31/07/2020 £</b>
<b>Restricted funds</b>					
Curate	-	32,500	(31,631)	-	869
Mental Health	-	84,000	(17,840)	-	66,160
NCOP	317	584,108	(526,323)	-	58,102
	<u>317</u>	<u>700,608</u>	<u>(575,794)</u>	<u>-</u>	<u>125,131</u>
<b>Unrestricted funds</b>					
<i>General funds</i>					
London Higher	491,685	455,047	(576,288)	(764)	369,680
London Higher Europe	13,589	16,333	(22,574)	-	7,348
London Medicine & Healthcare	113,583	61,331	(52,668)	-	122,246
Access HE	79,923	127,699	(122,979)	-	84,643
NEON	67,758	218,833	(213,344)	-	73,247
<i>Designated funds</i>					
Fixed asset fund	2,688	-	-	764	3,452
EAIE fund	2,745	-	(1,819)	-	926
IT fund	17,500	-	-	-	17,500
	<u>789,471</u>	<u>879,243</u>	<u>(989,672)</u>	<u>-</u>	<u>679,042</u>
<b>Total Unrestricted funds</b>	<u>789,471</u>	<u>879,243</u>	<u>(989,672)</u>	<u>-</u>	<u>679,042</u>
<b>Total funds</b>	<u><u>789,788</u></u>	<u><u>1,579,851</u></u>	<u><u>(1,565,466)</u></u>	<u><u>-</u></u>	<u><u>804,173</u></u>

- *London Medicine and Healthcare* is tasked with monitoring the healthcare policy environment as it applies to the membership of the Group, and identify opportunities to promote the regional, national and international contributions made by London's Medical Schools and Schools of Healthcare.
- *Access HE* is a pan-London organisation enabling the provision of support for young people from disadvantages backgrounds to enter Higher Education. Access HE facilitates collaboration and activities that aim to increase social mobility in the capital.
- *UniConnect*, Access HE is a key delivery partner in the OfS-outreach programme in London created to help realise the Government's goal of increasing participation in Higher Education from lower participating neighbourhoods. The initiative engages with schools / colleges in 13 wards across London, all of which exhibit low participation neighbourhood characteristics.
- Fixed asset funds represents the net book value of fixed assets held by the charity.

- IT fund - The IT fund will be used to replace ageing IT. During 2017, we have extended the life of our current PC's by installing Solid State Drives but by mid-2021 many of them will be in excess of seven years old and we will need to be replaced. The £17,500 would include software and installation for all purchases.
- EAIE fund – A one-off subscription by members of LH International to fund an exhibition stand and promotional literature with London & Partners at the EAIE international study conference in Helsinki in September 2019. The stand was used to promote London as a world class destination for HE study.

**11. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>2021 Restricted Funds £</b>	<b>2021 Unrestricted Funds £</b>	<b>2021 Total Funds £</b>
Fixed assets	-	2,326	2,326
Current assets	91,878	761,619	853,497
Current liabilities	(43,474)	(72,791)	(116,265)
<b>Total funds</b>	<b>48,404</b>	<b>691,154</b>	<b>739,558</b>

**PRIOR YEAR**

	<b>2020 Restricted Funds £</b>	<b>2020 Unrestricted Funds £</b>	<b>2020 Total Funds £</b>
Fixed assets	-	3,452	3,452
Current assets	154,758	916,573	1,071,358
Current liabilities	(29,654)	(240,983)	(270,637)
<b>Total funds</b>	<b>125,131</b>	<b>679,042</b>	<b>804,173</b>

**12. OPERATING LEASE COMMITMENTS**

At 31 July 2021 the charitable company had the total future minimum lease payments under non-cancellable operating leases as follows:

	<b>2021 £</b>	<b>2020 £</b>
Amounts due in:		
Within one year	23,518	53,363
Between two and five	-	30,567
<b>Total operating lease commitments</b>	<b>23,518</b>	<b>83,930</b>

The charge made to the Statement of Financial Activities in 2021 was £53,363 (2020: £52,500).



**13. PENSION SCHEME**

The institution participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete. Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole. The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows

	<b>2018 Valuation</b>
Mortality base table	<u>Pre-retirement</u>
	71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females
	<u>Post Retirement</u>
	97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.
Future improvements to mortality	to CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

**13. PENSION SCHEME (continued)**

The current life expectancies on retirement at age 65 are:

	2021	2020
Males currently aged 65 (years)	24.6	24.4
Females currently aged 65 (years)	26.1	25.9
Males currently aged 45 (years)	26.6	26.3
Females currently aged 45 (years)	27.9	27.7

**14. Related Party**

There were no related party transactions (2020: none) during the year.

**15. Comparative Statement of Financial Activities**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £
<b>Income from</b>				
Charitable activities				
<i>Membership income</i>	3	712,529	-	712,529
<i>Grants</i>	3	-	584,108	584,108
<i>Other</i>	3	163,363	116,500	279,867
Investment income	3	3,347	-	3,347
<b>Total income</b>		<u>879,243</u>	<u>700,608</u>	<u>1,579,851</u>
<b>Expenditure on</b>				
Charitable activities	4	<u>989,672</u>	<u>575,794</u>	<u>1,565,466</u>
<b>Total expenditure</b>		<u>989,672</u>	<u>575,794</u>	<u>1,565,466</u>
<b>Net income/Expenditure</b>	2	(110,429)	124,814	14,385
<b>Net movement in funds</b>		<u>(110,429)</u>	<u>124,814</u>	<u>14,385</u>
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>789,471</u>	<u>317</u>	<u>789,788</u>
<b>Total Funds carried forward</b>		<u><u>679,042</u></u>	<u><u>125,131</u></u>	<u><u>804,173</u></u>

All amounts are from continuing activities.