



*(A company Limited by Guarantee)*

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2022**

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

**LONDON HIGHER**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2022**

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**LONDON HIGHER****REFERENCE AND ADMINISTRATIVE DETAILS****FOR THE YEAR ENDED 31 JULY 2022**

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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 Woburn House 20-24 Tavistock Square London WC1H 9HQ
<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
Jenny Wetherill	Chief Operating Officer
Richard Boffey	Head of AccessHE
Chloe Bukata	Head of Communications and External Affairs
Emmanuela Forte	Head of Finance

## 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** (*Elected Chair*)  
**University of East London**
- Andy Cook, **Vice Chancellor**  
**Ravensbourne University London** (*joined 01 August 2021*)
- 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**

## CO-OPTED TRUSTEES

- Professor Anthony Bowne, **Principal**  
**Trinity Laban Conservatoire of Music and Dance**
- Professor Jenny Higham, **Vice-Chancellor**  
**St George's, University of London**
- Professor Wendy Thomson, **Vice-Chancellor**  
**University of London**

## OBSERVERS

- Mark Hilton, **Policy Delivery Director, Membership**  
**BusinessLDN**

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 July 2022.

## 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 three co-opted Trustees. In addition, London Higher Trustees invite observers from a limited number of key stakeholder organisations. London Higher has one observer 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 Charity Commission and all relevant Governance documents relating to the company. New Trustees are given a briefing on London Higher.
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 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 is 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 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 three business divisions. These are listed below together with their primary functions. Each division : a) is a separate cost centre; b) is 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, Chief Operating Officer 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;

- *AccessHE*, Pan-London organisation enabling provision of support for young people from disadvantaged backgrounds to enter Higher Education; AccessHE includes the London National Collaborative Outreach Programme (UniConnect).

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 and alternative 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. 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 are tailored to the London region and the unique nature of the London group of HEIs. Additionally, the Mayor of London and the Greater London Authority (GLA) 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.
12. **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 the Board Agenda each year and examined 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:

No.	Risk	Consequence	Mitigation	Probability/ impact
<b>Financial Risks</b>				
<b>1</b>	Members leave or do not make contributions	<ul style="list-style-type: none"> <li>- Reduced services to members and /or reduced staff level</li> <li>- Reporting a loss at year end</li> <li>- No longer able to represent the 'London cluster'</li> </ul>	<ul style="list-style-type: none"> <li>- CEO/Chair/ LH Team have regular engagement with all members to inform them of benefits, update them on activity and to receive feedback.</li> <li>- Engage members via an account management approach so LH is not relying on one team member to keep relationships with members.</li> <li>- Hold regular network and all member engagement meetings.</li> <li>- All members offered the opportunity to feedback and approve the LH Business Strategy and Operational Plan.</li> <li>- Two pronged approach to members who give notice, this includes a 12-month notification clause in Mem &amp; Arts to reengage them and recruiting board members / mutual contacts to persuade otherwise.</li> <li>- Aim to streamline processes so all members for all divisions pay subscriptions in August and ensure that are notices periods on all contracts.</li> <li>- Demonstrate value for money and highlight past achievements and outputs.</li> <li>- When required produce a conservative budget to reflect decrease in membership income.</li> </ul>	Probability: 2/5  Impact: 4/5
<b>2</b>	Reliance or dependence on grant funding (Uni Connect)	<ul style="list-style-type: none"> <li>- Staff are made redundant/ leave to job security</li> <li>- Impact on business forward planning.</li> <li>- Loss of contribution towards overheads/ contribution to core staff roles</li> </ul>	<ul style="list-style-type: none"> <li>- Look for alternative, longer-term, sources for funding where possible.</li> <li>- Reduce overall reliance on project funds for payroll for those staff members not directly working on the project.</li> <li>- Careful contract management. Maintain good working relationship with funders including fostering a culture of early disclosure concerning problems.</li> <li>- Prepare early for loss of project funding. Including communicating to staff and preparing options for redirecting resources.</li> <li>- Manage supplier contracts to achieve flexibility.</li> <li>- Keep a close eye on unrestricted reserves.</li> <li>- Prepare a conservative budget.</li> </ul>	Probability: 4/5  Impact: 3/5

<b>3</b>	LH division becomes untenable financially.	<ul style="list-style-type: none"> <li>- The overheads would be shared out amongst fewer divisions</li> <li>- Loss of prestige</li> </ul>	<ul style="list-style-type: none"> <li>- Regular financial reporting by Head of Finance and monthly management accounts reports.</li> <li>- Regular project updates by head of relevant department &amp; Executive.</li> <li>- More collaborative cross divisional working established and encouraged.</li> <li>- Provide excellent quality internal services to hosted divisions at fair cost.</li> </ul>	Probability: 3/5  Impact: 3/5
<b>4</b>	Financial obligations out last membership terms.	<ul style="list-style-type: none"> <li>- Reduced services to members and /or reduced staff level or closure of the organisation</li> </ul>	<ul style="list-style-type: none"> <li>- Secured an affordable smaller office with shorter lease terms than previously held.</li> <li>- Streamline contracts (IT, cleaning, HR, etc.) with short or no contract lengths.</li> <li>- Robust financial procedures so no financial commitments are made without review and sign off from the SMT and when required LH Board.</li> <li>- Ensure company reserves remain at sufficient level to wind down the company if required.</li> <li>- 12-month notification clause in Mem &amp; Arts.</li> </ul>	Probability: 1/5  Impact: 4/5
<b>Reputational/ Other</b>				
<b>5</b>	London Higher IT systems are compromised or become inaccessible	<ul style="list-style-type: none"> <li>- Damage to the reputation of the organisation to be trusted with data</li> <li>- Loss of organisational knowledge &amp; membership contacts/ information</li> </ul>	<ul style="list-style-type: none"> <li>- Use Office 365 (cloud), which can be accessed anywhere and has multiple back-up sites.</li> <li>- Test backup and retrieval systems periodically.</li> <li>- SAGE finance software is backed up to the cloud.</li> <li>- Implement and maintain two anti-virus software programmes on all computers as advised by our IT consultants.</li> <li>- Have IT and data protection policies which staff are reminded of periodically.</li> <li>- All staff complete GDPR training periodically.</li> </ul>	Probability: 1/5  Impact: 3/5
<b>6</b>	London Higher is perceived as not being politically impartial	<ul style="list-style-type: none"> <li>- Members/ stakeholders lose trust in the organisation</li> </ul>	<ul style="list-style-type: none"> <li>- CEO to seek approval from the LH Board on contentious issues.</li> <li>- Well rounded representation at events and networks.</li> <li>- Executive leadership to monitor minor actions to ensure they are broadly non-partisan.</li> <li>- Comms teams check the quality of materials published on-line</li> </ul>	Probability: 1/5  Impact: 4/5
<b>7</b>	Retention of staff	<ul style="list-style-type: none"> <li>- Loss of information and contacts</li> </ul>	<ul style="list-style-type: none"> <li>- Culture and articulation of the benefits and leave – emphasise our values.</li> <li>- Review salary banding regularly</li> <li>- Remove our dependency on any one team member and continue to build the pipeline of LH staff to ensure work can be covered when staff leave.</li> </ul>	Probability: 4/5  Impact: 2/5



- 13. 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 increases 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

- 14. Our core mission** is to help enable our members, their staff and their students to thrive.
- We help our members to address the 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.
  - We influence and work with a wide range of stakeholders and networks as a trusted, non-partisan and professional partner.
- 15. 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.
- 16. Annual Reports and Plans.** 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.
- 17. Our Priorities** include the following:
- a) **Bringing our members together to discuss pertinent issues.** We continue to convene our twenty networks across London Higher, AccessHE and London Medicine and Healthcare, bringing members together to discuss the issues that matter them.

Alongside our networks, we will hold a number of cross-network discussions and projects on issues important to our members. diversifying London's postgraduate student community, making clear their contribution.

- b) **Improving the student and staff experience in the capital.** London's universities and higher education colleges are engines of economic growth, collectively educating over 485,000 students to power the skilled workforce of tomorrow, employing over 223,000 people and generating £12bn in GDP. Enabling our staff and students to remain happy in the capital is integral to ensuring that our sector continues to thrive.
  - c) **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.
  - d) **Engaging with a wide range of national and regional stakeholders.** Building on our relationships with local and national Government we continue to work with a number of key partners across the city representing and advocating for London HE.
  - e) **Restructure the London Higher team.** We will continue to integrate AccessHE and London Medicine and Healthcare division into the London Higher core team. Building resilience between different staff roles and streamlining our offering into strategic priority areas to bring about tangible and positive outcomes for our members.
18. **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, we maintain our connections to our members' senior teams and policy executives, through regular meetings and through our 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 and are developing internal KPIs to demonstrate impact and progress.
19. **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. 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.
20. **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

21. 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 meet 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.
22. **Outputs.** Our outputs are diverse including a wide range of networks, cross-network discussions and projects 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 outputs included:
- **The London Higher Civic Map.** This dynamic project, compiled in collaboration with London Higher's Civic Network showcases the various ways in which London's higher education sector works in partnership with key stakeholders across our city. The map has also provoked thoughtful discussion across the membership as to how London's higher education institutions can work together to address civic 'coldspots', ensuring that we can maximise our impact through collective endeavor.
  - **'Clearing the Big Smoke:** London's higher education sector leading a greener future. Launched to coincide with COP26, in conjunction with London Higher's Sustainability Network, the 'Clearing the Big Smoke: London's higher education sector leading a greener future' report showcased real-life, practical examples of the innovative work being carried out at higher education institutions across the capital to help the city achieve its Net Zero ambitions. Following the report, London Higher teamed up with London Councils on five new innovative knowledge partnerships, designed to enable the lead London boroughs to use the best available evidence and data in their work and help higher education partners boost their role in civic leadership.
  - **The London Higher Global Majority Mentoring Programme.** London Higher's EDI Network launched the programme, in partnership with London Metropolitan University and Minerva. This pan-London, positive action mentoring programme is designed to provide an effective platform for improving career progression for global majority staff by matching mentors and mentees and to broaden pan-London collaboration with cross-institutional matching. The Programme aims to support the capital's higher education sector to build the pipeline of Black, Asian and Minority Ethnic academic and professional services staff, across all levels of institutions.
  - **OfS (Student Outcomes, TEF & Constructing Indicators) and DfE (HE Reform and LLE) Consultation Responses.** Working with members of our various networks, our Heads of Institutions and in collaboration with other sector bodies, London Higher has responded to

this year's five key sector consultations; OfS (Student Outcomes, TEF & Constructing Indicators) and DfE (HE Reform and LLE), alongside ad hoc responses to APPG London as a global city and OfS consultation on support for international students.

- **Comprehensive Spending Review.** Ahead of the 2021 Comprehensive Spending Review, London Higher released a position paper showing how 'Unleashing London' and its higher education and research sector can help the Government realise its strategic priorities, from leveling up some of England's poorest communities and accelerating local and national recovery to turbocharging the UK's international science and education ambitions.

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. During the year we were especially proud of:

- **Sponsorship of the Nursing Times awards.** In recognition of the amazing work done by educators in shaping the future nursing workforce, LHEG has chosen to collectively sponsor the Educator of the Year award at this year's Student Nursing Times Awards held on 27 May.
- **LHEG project funding launched.** In the interest of its core objective to support innovative healthcare education projects of benefit to London through collaboration, LHEG has launched a fund to support members to work in collaboration. Projects will need to be designed and delivered between at least two universities or a university and a partner organisation and must have measurable outputs that benefit healthcare education in London. This project funding will help to lead and shape healthcare education in London, working collegiately to solve complex challenges across London and the nation.
- **Dealing with COVID-19.** LHEG and London Higher's medical school equivalent, London Medicine, demonstrated amazing resilience this year working collegiately with Health Education England to jointly tackle enormous strategic challenges including Vaccination as a Condition of Deployment, clinical placement disruption and several other issues caused by the pandemic.

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 27 HEI members. During 2021-22 we:

- Delivered targeted outreach activity to more than 1,300 learners from areas of low HE progression as a partner in the London strand of the OfS' Uni Connect Programme.
- Published a research report, Best Laid Plans, looking at the impact of the Covid-19 pandemic on young Londoners' HE decision making. The report also suggested ways in which the 'covid cohort' of school/college leavers in London can be supported with the transition to HE.
- Co-delivered, with AccessHE members, over five weeks of outreach programmes to vulnerable Londoners. The programmes included multi-week projects for students from care experienced backgrounds and for a Pupil Referral Unit in Tower Hamlets.
- Secured £750,000 of funding from the GLA to co-deliver a hub of the Mayor's Creative Academy. The hub will work with AccessHE members to develop new, collaborative training and employability support for students that helps them to secure jobs in the screen sector.

- Ran a series of member roundtable events, including one attended by the OfS Director for Fair Access and Participation. The roundtables helped AccessHE members to frame their response to the HE reform consultations and the access and participation plan variations process.

More details of these activities are presented in our *Annual Report* to members which can be downloaded from our website: <https://londonhigher.ac.uk/resources/annual-review-business-plans/>

## FINANCIAL REVIEW

**23.** Our financial goal is to expand and enhance member services by offering an effective and streamlined financial administration. In 21-22 London Higher Core has released the London Higher Civic Map, mapping almost 200 examples of civic activities across London. The map was launched at an event with the deputy Mayor of London and gained extensive coverage across Higher Education press. We also began to develop our #LondonisLocal campaign, highlighting examples of transformative activity within our member institutions. A brand-new website was also at the centre of the 21-22 financial activities. Total Income (£1,042,888) decreased by £290,140, 21.7%, compared to 2021-22 (£1,333,028). The main factors were as follows:

- Membership Income increased by £39,372 or 6%.
- Projects and Event Income decreased by £116,024 or 86% mainly due to the departure of NEON but also because AccesHE was unable to raise any project income as it did in the past.
- Grant Income was substantially reduced from last year by £212,572 the equivalent of 38%. This was due to the OfS reducing the Uni Connect programme funding nationally by £20 million, resulting in a reduction in grant allocations for all Uni Connect programme hubs, including AccessHE.
- London Medicine and Healthcare had an increase in membership income however, the increase was not sufficient to offset the income decrease generated by the above.

Total expenditure decreased (£1,028,640) by £310,900, 23%, compared to 2020-21 (£1,339,540). The main contributor was the cut in OfS funds. Direct Costs decreased by £315,349 or 26% and Support Costs decreased by £4,763 or 4%.

- London Higher Core Membership - During the year, LH invoiced 35 members for a total of £429,821 (Budget £363,762). The 18% increase is due to 5 members returning to the scheme in the second half of the financial year.  
The above figures also include an inflation increase of 3%. (The increase was ratified by the Board).
- London Medicine and Healthcare Membership Income – During the year, the division invoiced 24 members for a total of £84,250 an increase of 9% against the budget (£77,250). Under the umbrella of London Medicine and Healthcare, also sits Mental Health project which will be reconfigured in 22-23.
- ACC invoiced 25 members for a total of £120,500. (Budget £131,000).
- Uni Connect (A grant funded by OfS and managed via Kingston University). At 31 July 2021, the division had total funds of £20,251 to carry forward into FY 21-22. This amount was refunded to Kingston in January 2022.
- At the end of July 2022, the programme received extra funding to complete the programme (£7,900) A tiny surplus of £133 was reported at the year end.

**24. Reserves Policy.** Total funds as 31 July 2022 are £733,555 (2021: £739,558). Of the total funds, £27,176 (2021: £48,404) were represented by restricted funds and £706,379 (2021: £691,154) by unrestricted funds. Free Reserves (i.e. unrestricted funds excluding fixed assets and amounts designated) stood at £697,489 (2021: £670,402) at 31 July 2022.

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 £706,379 meets the criteria.

Within designated funds, a brought forward amount of £17,500 is designated for IT capital expenditure. In October 2021, London Higher upgraded the entire IT system and the balance has been transferred to Unrestricted funds. £8,890 within the designated fund represents the net book value of assets. Also, within designated funds we had the EAIE funds of £926 which related to a project which started in Sept 2019. Because of the pandemic, London Higher was unable to continue the programme for another year. The Trustees agreed to transfer the balance to unrestricted reserves

## PLANS FOR 2022-23

**25. Financial Plan.** For the 2022-23 financial year we are forecasting income of just above £1,002,000. In July 2022 we circulated a costed Operational Plan for 2022-23 to all members which indicates how this money will be disbursed. In January/February 2023 we will revise the Plan to reflect the post-audit position.

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

- Achieve our objectives of transforming our network offering to better reflect local and national strategic priorities, ensuring all London Higher activities result in meaningful & communicable outputs, and refining London Higher's external "brand identity" and external relationships
- Continue to develop relationship with local and national government. Including keeping a seat on the London Recovery Board and Skills for Londoners board, GLA high level skills boards and working with the London anchors networks. This year will see London Higher build on these platforms and utilise our wide range of networks and stakeholders to start to effect tangible change.
- Global Majority Mentoring Scheme will be expanded to include more London Higher members.
- Updating our Civic Map to include wider more detailed breakdown of the impacts of HE to London.
- Produce the London version of the HEPI-Advance HE annual student academic experience survey to provide a clearer picture of how London students experience higher education and what we could be doing to improve it.
- Launch of the International Education Strategy for London, which is designed to address the challenges of international student recruitment in the capital, and to encourage Government to be more ambitious in their overall national targets.
- Launch a Sustainability Pledge for London HE calling on members to commit to a series of promises and provide benchmarking and a baseline for pursuing shared targets.
- Produce series of briefings on prevalent topics such as Cost of Living, Foundation years and diversifying the HE talent pipeline.

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

27. 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.)
28. 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.
29. 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.
30. 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.

31. **Resolution.** Approved by the London Higher Board of Trustees on 24 January 2023 and signed on its behalf



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 2022 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 2022 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 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;
- 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;
- 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.
- Challenging assumptions and judgements made by management in their critical accounting estimates such as pension liability and general accruals.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.



.....  
**Vikram Sandhu**  
For and on behalf of Haysmacintyre LLP, Statutory Auditors

**10 Queen Street Place**  
**London**  
**EC4R 1AG**

**Date:** 30 January 2023

## STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating and Income and Expenditure Account)

FOR THE YEAR ENDED 31 JULY 2022

Company number 5731255

		Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	Notes	£	£	£	£
<b>Income from:</b>					
Charitable activities					
<i>Membership income</i>	3	676,146	-	676,146	637,275
<i>Grants</i>	3	-	326,285	326,285	501,005
<i>Other</i>	3	17,562	1,000	18,562	134,586
Investment income	3	1,644	-	1,644	2,059
<b>Total income</b>		<u>695,352</u>	<u>327,285</u>	<u>1,022,637</u>	<u>1,274,925</u>
<b>Expenditure on:</b>					
Charitable activities	4	680,000	348,640	1,028,640	1,339,540
<b>Total expenditure</b>		<u>680,000</u>	<u>348,640</u>	<u>1,028,640</u>	<u>1,339,540</u>
<b>Net income/(expenditure)</b>	2	15,352	(21,355)	(6,003)	(64,615)
<b>Net movement in funds</b>		<u>15,352</u>	<u>(21,355)</u>	<u>(6,003)</u>	<u>(64,615)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		691,154	48,404	739,558	804,173
Transfer between funds		(127)	127	-	-
<b>Total Funds carried forward</b>		<u><u>706,379</u></u>	<u><u>27,176</u></u>	<u><u>733,555</u></u>	<u><u>739,558</u></u>

All amounts derive from continuing activities. There are no other gains or losses other than those shown above. The comparative Statement of Financial Activities is in note 15.

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

	Note	2022 £	2021 £
<b>FIXED ASSETS</b>	7	8,890	2,326
<b>CURRENT ASSETS</b>			
Debtors	8	37,817	64,870
Cash at bank and in hand		846,473	788,626
		884,290	853,496
<b>CREDITORS: amounts falling due within one year</b>	9	(159,625)	(116,264)
<b>NET CURRENT ASSETS</b>		724,665	737,232
<b>NET ASSETS</b>		733,555	739,558
<b>FUNDS</b>			
Unrestricted funds			
General funds	10	697,489	672,222
Designated funds	10	8,890	18,932
Restricted funds	10	27,176	48,404
		733,555	739,558

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 24 January 2023 and were signed on their behalf by:



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

	2022 £	2021 £
<b>Cash flows from operating activities:</b>		
Net income for the reporting period (per the statement of financial activities)	(6,003)	(64,615)
<b>Adjustments for:</b>		
Depreciation charges	3,307	1,126
Interest received	(1,644)	(2,059)
Decrease/(increase) in debtors	27,053	(23,798)
Increase/(decrease) in creditors	43,360	(138,472)
<b>Net cash provided by/(used in) operating activities</b>	<u>66,073</u>	<u>(227,818)</u>
<b>Cash flows from investing activities</b>		
Investment income	1,644	2,059
<b>Net cash provided by investing activities</b>	<u>1,644</u>	<u>2,059</u>
<b>Cash flows from capital expenditure and financial investment</b>		
Payments to acquire tangible fixed assets	(9,870)	-
<b>Net cash used in financing activities</b>	<u>(9,870)</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period	57,847	(225,759)
Cash and cash equivalents at the beginning of the reporting period	788,626	1,014,385
Cash and cash equivalents at the end of the reporting period	<u>846,473</u>	<u>788,626</u>

Reconciliation of net debt	2021 At the start of the year £	Cashflow £	2022 At the end of the year £
Cash in hand	788,626	57,847	846,473
<b>Total cash and cash equivalents</b>	<u>788,626</u>	<u>57,847</u>	<u>846,473</u>

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**

During 21-22 London Higher re-engaged with 5 extra members strengthening the membership income position. More members have also joined during the first part of 22-23. Nonetheless the cost-of-living crisis is a strong reality and the company is taking the issue very seriously. Our work remains 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. Costs are kept under constant review to check they are value for money. The Ofs grant is coming to an end in July 2023 and Ofs's decision to continue will only be taken in late March 2023. Having taken all these elements into consideration and reviewing 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 give 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) with the resulting expense recognised in the profit and loss account. The directors 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 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  
AccessHE  
UniConnect

Membership and charitable activity costs include expenditure which is directly attributable to more than one activity. These costs 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 office running costs, finance function, 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. 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 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 purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular purposes.

**2. NET INCOME/(EXPENDITURE)****2022****2021****£****£****This is stated after charging:**

Auditors' remuneration (excl VAT)

11,000

10,000

Depreciation

3,307

1,126

Operating lease rentals

54,629

53,363

**3. INCOME****2022****2021****£****£****Membership Contributions**

London Higher Members

429,821

363,300

London Medicine

84,250

72,330

London Partners

39,992

40,493

AccessHE

122,083

125,542

NEON

-

35,610

676,146

637,275

**Grants**

Ofs

346,536

559,108

Underspend

(20,251)

(58,103)

326,285

501,005

**Other**

Project &amp; event income

18,562

134,586

18,562

134,586

**Total charitable income****1,020,993****1,272,866**

Investment Income

1,644

2,059

1,644

2,059

**Total income****1,022,637****1,274,925**

4. ANALYSIS CHARITABLE EXPENDITURE	Direct Costs £	Support Costs £	Total 2022 £	Direct Costs £	Support Costs £	Total 2021 £
London Higher	397,102	75,124	472,226	394,552	38,637	433,189
London Medicine & Healthcare	67,820	11,000	78,820	44,210	10,850	55,060
AccessHE	99,787	29,167	128,954	87,164	40,000	127,164
NEON	-	-	-	126,396	20,000	146,396
UniConnect	327,403	20,000	347,403	518,856	20,000	538,856
Curate	-	-	-	997	-	997
Mental Health	1,237	-	1,237	36,837	1,041	37,878
	<u>893,349</u>	<u>135,291</u>	<u>1,028,640</u>	<u>1,209,012</u>	<u>130,528</u>	<u>1,339,540</u>
		<b>2022 £</b>			<b>2021 £</b>	
<b>Support costs</b>						
Occupancy Cost		80,072			89,443	
Administration Cost		18,463			14,142	
Human Resource Cost		15,205			9,107	
Depreciation		3,307			1,126	
Communication Cost		-			204	
Governance (Note 5)		13,213			12,583	
Strategy		3,450			2,020	
Development						
Banking Charges		1,581			1,903	
		<u>135,291</u>			<u>130,528</u>	

<b>5. GOVERNANCE COSTS</b>	<b>2022 £</b>	<b>2021 £</b>
Audit and related fees (including VAT)	13,200	12,570
Trustees' meetings	-	-
Company house filing	13	13
	<u>13,213</u>	<u>12,583</u>

<b>6. ANALYSIS OF STAFF COSTS</b>	<b>2022 £</b>	<b>2021 £</b>
Wages and Salaries	598,225	668,794
Social security costs	50,018	61,316
Pension costs	98,185	107,130
Recruitment expenses	7,604	1,455
	<u>754,032</u>	<u>838,695</u>

Included within Wages and Salaries are redundancy, settlement, termination payments made in the year of £18,000 (2021: £nil).

The average number (headcount) of employees was:

	<b>2022 Number</b>	<b>2021 Number</b>
London Higher	8	7
London Medicine & Healthcare	1	1
AccessHE	2	2
Mental Health	-	1
NEON	-	2
NCOP	5	6
	<u>16</u>	<u>19</u>

During the year there were three employees (2021: 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>2022 Number</b>	<b>2021 Number</b>
£90,000 - £100,000	1	1
£150,000 - £160,000	-	-
	<u></u>	<u></u>

Pension contributions payable by the Charity for the higher earners in the year were £17,776 (2021: £23,258).

No trustee received remuneration or reimbursement for expenses during the year (2021: Nil).

The key management personnel are defined as the CEO, Head of Finance, and Head of AccessHE of which the total employee benefits in aggregate for the year were £239,270 (2021: £216,011).

<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 2021	23,160	30,510	16,030	69,700
Additions	9,870	-	-	9,870
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 July 2022	33,030	30,510	16,030	79,570
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation</b>				
At 31 July 2021	20,943	30,510	15,920	67,373
Charge for the year	3,307	-	-	3,307
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 July 2022	24,250	30,510	15,920	70,680
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net Book Value</b>				
At 31 July 2021	2,217	-	110	2,327
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 July 2022	8,780	-	110	8,890
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

All assets are held for operational purposes

<b>8. DEBTORS</b>	<b>2022 £</b>	<b>2021 £</b>
Trade debtors	11,025	45,502
Other debtors	-	-
Prepayments and accrued income	26,792	19,368
	<u>          </u>	<u>          </u>
	37,817	64,870
	<u>          </u>	<u>          </u>

<b>9. CREDITORS: amounts falling due within one year</b>	<b>2022 £</b>	<b>2021 £</b>
Trade creditors	38,072	38,129
Accruals	65,991	44,751
Deferred income (see below)	54,857	32,458
Other creditors	705	926
	<u>          </u>	<u>          </u>
	159,625	116,264
	<u>          </u>	<u>          </u>

Deferred income	2022 £	2021 £
Balance at start of the year	32,458	75,573
Amounts released to income	(32,458)	(75,573)
Amounts deferred in the year	54,857	32,458
	<u>54,857</u>	<u>32,458</u>
Balance at the end of the year	<u>54,857</u>	<u>32,458</u>

Deferred income relates to grants and membership income, invoiced/received in the year but which relates to the next financial year.

# 10. STATEMENT OF FUNDS

	Brought forward at 01/08/2021	Income	Expenditure	Transfers	Carried forward at 31/07/2022
	£	£	£	£	£
<b>Restricted funds</b>					
Curate	(127)	-	-	127	-
Mental Health	28,282	-	(1,237)	-	27,045
UniConnect	20,251	327,285	(347,403)	-	133
	<u>48,404</u>	<u>327,285</u>	<u>(348,640)</u>	<u>127</u>	<u>27,176</u>
<b>Unrestricted funds</b>					
<i>General funds</i>					
London Higher	428,544	479,507	(472,226)	11,735	447,560
London Medicine & Healthcare	139,516	84,250	(78,820)	-	144,946
AccessHE	102,342	131,595	(128,954)	-	104,983
<i>Designated funds</i>					
Fixed asset fund	2,326	-	-	6,564	8,890
EAIE fund	926	-	-	(926)	-
IT fund	17,500	-	-	(17,500)	-
	<u>691,154</u>	<u>695,352</u>	<u>(680,000)</u>	<u>(127)</u>	<u>706,379</u>
<b>Total Unrestricted funds</b>	<u>691,154</u>	<u>695,352</u>	<u>(680,000)</u>	<u>(127)</u>	<u>706,379</u>
<b>Total funds</b>	<u>739,558</u>	<u>1,022,637</u>	<u>(1,028,640)</u>	<u>-</u>	<u>733,555</u>

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

<b>PRIOR YEAR</b>	<b>Brought forward at 01/08/2020 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>Carried forward at 31/07/2021 £</b>
<b>Restricted funds</b>					
Curate	869	-	(998)	-	(127)
Mental Health	66,160	-	(37,878)	-	28,282
UniConnect	58,103	501,005	(538,857)	-	20,251
<b>Total Restricted funds</b>	<b>125,132</b>	<b>501,005</b>	<b>(577,733)</b>	<b>-</b>	<b>48,404</b>
<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
AccessHE	84,643	144,862	(127,163)	-	102,342
NEON	73,247	150,876	(146,396)	(77,727)	-
<i>Designated funds</i>					
Fixed asset fund	3,452	-	-	(1,126)	2,326
EAIE fund	926	-	-	-	926
IT fund	17,500	-	-	-	17,500
<b>Total Unrestricted funds</b>	<b>679,042</b>	<b>773,920</b>	<b>(761,808)</b>	<b>-</b>	<b>691,154</b>
<b>Total funds</b>	<b>804,173</b>	<b>1,274,925</b>	<b>(1,339,540)</b>	<b>-</b>	<b>739,558</b>

- *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.
- *AccessHE* is a pan-London organisation enabling the provision of support for young people from disadvantages backgrounds to enter Higher Education. AccessHE facilitates collaboration and activities that aim to increase social mobility in the capital.
- *UniConnect*, AccessHE 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 was designed to replace the aging IT system. As we moved office and introduced flexible working from home, all the staff now have new laptops. The leftover of £17,500 has been moved to general reserves.

- *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. The Finance Committee gave permission to move the unspent funds (£926) to general reserves

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

	<b>2022 Restricted Funds £</b>	<b>2022 Unrestricted Funds £</b>	<b>2022 Total Funds £</b>
Fixed assets	-	8,890	8,890
Current assets	54,476	829,814	884,290
Current liabilities	(27,428)	(132,197)	(159,625)
Transfer between funds	127	(127)	
<b>Total funds</b>	<b>27,175</b>	<b>706,380</b>	<b>733,555</b>

**PRIOR YEAR**

	<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>

**12. OPERATING LEASE COMMITMENTS**

At 31 July 2022 the charitable company had the total future minimum lease payments under operating leases (break clause 01 Feb 2024) as follows:

	<b>2022 £</b>	<b>2021 £</b>
Amounts due in:		
Within one year	50,400	23,518
Between two and five	166,665	-
<b>Total operating lease commitments</b>	<b>217,065</b>	<b>23,518</b>

The charge made to the Statement of Financial Activities in 2022 was £54,629 (2021: £53,363).



**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 information provided is based on the last formal completed actuarial valuation of Universities Superannuation Scheme (the scheme) which was as at 31 March 2020 and completed in October 2021. The actuary's report on the 2020 valuation is published in full on the USS website.

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

**2020 Valuation**

Mortality base table	<u>101% of S2PMA "light" for males and 95% of S3PFA for females</u>
Future improvements mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. 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:

	<b>2022</b>	<b>2021</b>
Males currently aged 65 (years)	23.9	24.7
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.7
Females currently aged 45 (years)	27.3	27.9

**14. Related Party**

There were no related party transactions (2021: none) during the year.

**15. Comparative Statement of Financial Activities**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £
<b>Income from</b>				
Charitable activities				
<i>Membership income</i>	3	637,275	-	637,275
<i>Grants</i>	3	-	501,005	501,005
<i>Other</i>	3	134,586	-	134,586
Investment income	3	2,059	-	2,059
<b>Total income</b>		<u>773,920</u>	<u>501,005</u>	<u>1,274,925</u>
<b>Expenditure on</b>				
Charitable activities	4	761,808	577,732	1,339,540
<b>Total expenditure</b>		<u>761,808</u>	<u>577,732</u>	<u>1,339,540</u>
<b>Net income/Expenditure</b>	2	12,112	(76,727)	(64,615)
<b>Net movement in funds</b>		<u>12,112</u>	<u>(76,727)</u>	<u>(64,615)</u>
<b>Reconciliation of funds</b>				
Total funds brought forward		679,042	125,131	804,173
<b>Total Funds carried forward</b>		<u><u>691,154</u></u>	<u><u>48,404</u></u>	<u><u>739,558</u></u>