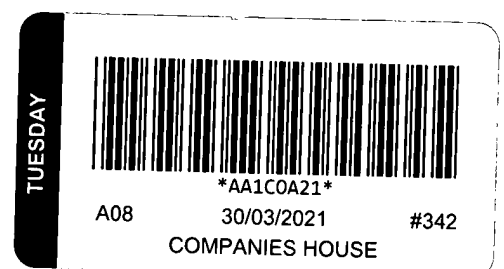


Company Number: 03424128

LHA SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS

Year ended 30th September 2020



LHA SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS 2020

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr D Conroy
Mr A McTavish
Ms A J Whiston-Dew

SECRETARY

Mr A R Perkins

REGISTERED OFFICE

11 Belgrave Road
London
SW1V 4PG

BANKERS

Barclays Bank plc
Level 27
1 Churchill Place
London E14 5HP

AUDITORS

Mazars LLP
Chartered Accountants and Statutory Auditor
6 Sutton Plaza
Sutton Court Road
Sutton
Surrey
SM1 4FS

REGISTERED NUMBER

03424128

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 30 September 2020

Principal activities

The company's principal activity during the year continued to be the provision of short term accommodation and catering service together with the provision of other amenities to the residents of LHA London Limited, the parent charity. The directors consider the results of the company to be satisfactory.

Review of the business

The company made a profit of £105,228 (2019 £296,270). During the year £368,285 (2019: £533,205) was distributed to the parent charity under a deed of covenant dated 1 October 1997. The balance of the 2020 distribution was made shortly after the year end so there is no tax liability.

Future developments

There are no changes planned for the future in respect of the operation of the company. The directors do not believe that Brexit will have a significant impact on the activities of the company.

LHA Update related to coronavirus disease (COVID-19) outbreak

The impact of the coronavirus outbreak on public life and the London accommodation sector has resulted in reduced occupancy within the LHA portfolio. While this is expected to have a negative impact on the financial performance of LHA in 2021, the company cannot quantify the magnitude and duration of such impact at this time given the fluidity of the situation. The parent charity, LHA London, holds substantial reserves to support the activities of the Group. LHA continues to monitor and assess its business operations daily and will provide an update to stakeholders as appropriate. In connection with the COVID-19 outbreak, LHA has implemented precautionary measures and protocols based on recommendations from official health authorities. As a provider of intermediate accommodation LHA has continued to provide accommodation throughout the pandemic using its 'safe and secure' protocol.

Directors

The following have been directors during the year and up to the date of this report:

Mr D Conroy
Mr A McTavish
Ms A J Whiston-Dew

The directors have no beneficial interest in the shares of the company.

Statement of directors' responsibilities for the financial statements

Company law in the United Kingdom requires the directors to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that the directors' report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

Disclosure of information to auditors

At the date of making this report, each of the company's directors, as set out on page 1, confirm the following:

- so far as each director is aware, there is no relevant information needed by the Association's auditors in connection with preparing their report of which the Association's auditors are unaware, and
- each of the directors has taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant information needed by the Association's auditors in connection with preparing their report and to establish that the Association's auditors are aware of that information.

Auditors

The auditors, Mazars LLP have expressed their willingness to continue in office.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

On behalf of the Board

DocuSigned by:

Alexandra Whiston-Dew

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AJ Whiston-Dew

Director

23 February 2021

Report of the Independent Auditors to the member for the year ended 30 September 2020**Opinion**

We have audited the financial statements of LHA Services Limited (the 'company') for the year ended 30 September 2020 which comprise the profit and loss account, the balance sheet, the statement of cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2020 and of its profit 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 company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the member for the year ended 30 September 2020 (continued)**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the 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.

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

Use of the audit report

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



Nicola Wakefield (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

6 Sutton Plaza, Sutton Court Road, Sutton Surrey SM1 4FS

Date: 22 March 2021

PROFIT AND LOSS ACCOUNT for the year ended 30 September 2020

	Note	2020	2019
Turnover		249,728	571,163
Cost of sales		(47,394)	(89,137)
		<hr/>	<hr/>
Gross profit		202,334	482,026
Administration expenses		(97,295)	(186,559)
		<hr/>	<hr/>
Operating profit	3	105,039	295,467
Interest receivable		189	803
		<hr/>	<hr/>
Profit on ordinary activities before taxation		105,228	296,270
Tax on profit on ordinary activities	5	-	-
		<hr/>	<hr/>
Profit for the financial year	9	105,228	296,270
		<hr/>	<hr/>

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

The notes on pages 8-11 form part of these financial statements.

LHA Services Limited

Report and Financial Statements 2020

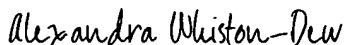
BALANCE SHEET as at 30th September 2020

	Note	2020	2019
		£	£
Current assets			
Debtors	6	4,986	211,459
Cash at bank and in hand		172,278	243,790
		<u>177,264</u>	<u>455,259</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	(6,520)	(21,448)
		<u>170,744</u>	<u>433,801</u>
NET CURRENT ASSETS			
		<u>170,744</u>	<u>433,801</u>
NET ASSETS			
		<u>170,744</u>	<u>433,801</u>
CAPITAL AND RESERVES			
Called up Share Capital	8	150,000	150,000
Profit and Loss	9	20,744	283,801
		<u>170,744</u>	<u>433,801</u>
Shareholders' Funds	10	<u>170,744</u>	<u>433,801</u>

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These financial statements were approved by the Board of Directors on 23 February 2021.

DocuSigned by:



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A J Whiston-Dew
Director

The notes on pages 8 to 11 form part of these financial statements.

LHA Services Limited

Report and Financial Statements 2020

Statement of Cash flows
For the year ended 30th September 2020

	Notes	2020 £	2019 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		105,228	296,270
Decrease/(increase) in debtors		206,473	(27,985)
(Decrease)/increase in creditors		(14,928)	572
		<u>296,773</u>	<u>268,857</u>
Net cash inflow from operating activities		296,773	268,857
Distribution to parent charity	4	(368,285)	(533,205)
		<u>(71,512)</u>	<u>(264,348)</u>
(Decrease) in cash		(71,512)	(264,348)
Reconciliation of net cash flow to movement in net funds			
(Decrease) in cash in the year		(71,512)	(264,348)
Change in net funds		(71,512)	(264,348)
Net funds at 1 October		243,790	508,138
Net funds at 30 September		172,278	243,790

The notes on pages 8 to 11 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2020**1. ACCOUNTING POLICIES*****Basis of preparation***

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The principal accounting policies adopted in the preparation of the accounts are set out below. The directors have reviewed detailed cash flow projections to 31 March 2022 and have agreed detailed budgets for the year ended 30 September 2021. Both sources of income and types of expenditure have been reviewed. The directors have also considered the company's working capital and capital expenditure requirements. As a result of the foregoing the directors are satisfied that it is appropriate to prepare the accounts on a going concern basis.

Turnover

Turnover represents the short term accommodation and catering fees in LHA London Limited and also the sales of merchandising and income from using the available amenities and services provided to residents. Turnover is shown net of value added tax.

Stock

Stock is valued at the lower of cost and net recoverable value.

2. Analysis of turnover

	2020	2019
	£	£
By activity		
Provision of accommodation and services	249,728	571,163
By geographical market		
UK	249,728	571,163

3. Operating profit

	2020	2019
	£	£
This is stated after charging		
Auditor's remuneration	4,000	3,400

All key management personnel employed by the parent entity, LHA London Limited and their remuneration is disclosed in the financial statements of that entity. No director received any remuneration or reimbursement from the company (2019: £nil).

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2020 (continued)**4. Distributions**

	2020	2019
	£	£
Distributions to LHA London Ltd	368,285	533,205

5. TAXATION**Analysis of charge in period**

	2020	2019
	£	£
Tax on profit on ordinary activities	-	-

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows

	2020	2019
	£	£
Profit on ordinary activities before tax	105,228	296,270
Standard rate of corporation tax in the UK	19%	20%
Profit on ordinary activities multiplied by the standard rate of corporation tax	19,993	56,291
Effects of Distributions	(19,993)	(56,291)
Current tax charge for period	-	-

6. DEBTORS

	2020	2019
	£	£
Prepayments and accrued income	217	-
Amounts owed by group companies	4,769	211,459
	4,986	211,459

NOTES TO THE FINANCIAL STATEMENTS for the year ending 30 September 2020 (continued)

7. CREDITORS: amounts falling due within one year

	2020	2019
	£	£
Accruals and deferred income	6,250	21,448
	<u>6,520</u>	<u>21,448</u>

8. SHARE CAPITAL

	Nominal value	2020 Number	2020 £	2019 £
Allotted, called up and fully paid Ordinary shares	£1 each	150,000	150,000	150,000
		<u>150,000</u>	<u>150,000</u>	<u>150,000</u>

9. PROFIT AND LOSS ACCOUNT

	2020 £
At 1 October 2019	283,801
Retained profit for the financial year	105,228
Distribution to parent charity	(368,285)
At 30 September 2020	<u>20,744</u>

10. RECONCILIATION OF MOVEMENT OF SHAREHOLDER'S FUNDS

	2020 £	2019 £
At 1 October	433,801	670,736
Retained profit for the financial year	105,228	296,270
Distribution to parent charity	(368,285)	(533,205)
At 30 September	<u>170,744</u>	<u>433,801</u>

NOTES TO THE FINANCIAL STATEMENTS for the year ending 30 September 2020 (continued)**11. ULTIMATE CONTROLLING PARTY**

The ultimate controlling charity of LHA Services Limited is LHA London Limited, a charity incorporated in England & Wales. LHA London Limited owns 100% of the share capital of the company and includes LHA Services Limited in its consolidated financial statements.

12. RELATED PARTY TRANSACTIONS

The related party transactions with LHA London Limited were as follows:

	2020	2019
	£	£
Distribution to LHA London Limited	368,285	533,205
Management fees payable to LHA London Limited	66,000	132,000
Rental charges payable to LHA London Limited	24,000	48,000

LHA Services Limited were owed £4,769 (2019: £211,459) from LHA London at 30 September 2020.