

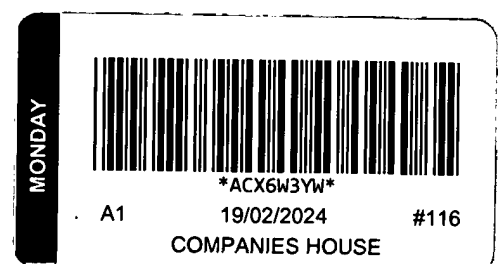


*(A company Limited by Guarantee)*

# **REPORT AND FINANCIAL STATEMENTS**

## **FOR THE YEAR ENDED 31 JULY 2023**

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



**LONDON HIGHER**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2023**

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**LONDON HIGHER****REFERENCE AND ADMINISTRATIVE DETAILS****FOR THE YEAR ENDED 31 JULY 2023**

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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>	Jenny Wetherill

**LONDON HIGHER SENIOR MANAGEMENT TEAM**

Diana Beech	Chief Executive Officer
Jenny Wetherill	Chief Operating Officer
Richard Boffey	Head of AccessHE
Mark Corbett	Head of Policy (appointed January 2023)
Jolanta Edwards	Director of Strategy (appointed June 2023)
Emmanuela Forte	Head of Finance (resigned March 2023)

**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*
- Professor Frances Corner, OBE, **Warden**  
*Goldsmiths, University of London*
- Professor David Andrew Phoenix, **Vice-Chancellor**  
*London South Bank 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, **Principal**  
*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 2023.

## 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 Charities Commission and all relevant Governance documents relating to the company. New Trustees are given a briefing on London Higher.
5. **Sub committees.** London Higher Board of Trustees has three sub committees:
  - a. **Finance Committee.** This committee reviews the financial activity of the organisation by: monitoring London Higher's performance against budget; advising, supporting and by being a resource for the Chief Operating Officer and Finance Manager 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.
  - b. **Membership Committee.** The function of this committee is to review London Higher membership by: reviewing applications against membership criteria and either recommending the application for approval by the Board or providing feedback to the applicant institution on why their application was unsuccessful; reviewing and monitoring London Higher's members and membership criteria and recommending updates and changes to the Board of Trustees when required.
  - c. **Remuneration Committee.** The function of this 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 is: a) a separate cost centre; b) overseen by an Advisory Group of members; and c) has its own Head of Division/ member of Senior Management Team (SMT) with strategic oversight who reports directly to the Chief Executive. In addition, the Chief Executive, Chief Operating Officer and Heads of Division meet as a SMT every week.

**7. Business Divisions of London Higher:**

- *London Higher Core*, making the case for HE through our suite of networks, special projects, written reports and briefings.
- *London Medicine & Healthcare*, bringing together London's schools of medicine, healthcare and clinical academic institutions to meet, discuss and collaborate.
- *AccessHE*, a pan-London network enabling provision of support for young people from disadvantaged backgrounds to enter higher education; AccessHE includes the Uni Connect programme, a funded partnership programme offering advice and information on attending university.

**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).** HEIs in London are our company members. Members are required to submit an application to be considered for membership. This application is reviewed against members criteria by the Membership Committee who advise the Board of Trustees on whether to accept or reject the application. In the *Members' Agreement* members 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. Centres membership.** London Higher also recognises an additional partnership category (distinct from members) which includes higher education providers based *outside* London who have opened centres in London.

**11. Related parties.** The policy landscape for higher education is currently set by the Department for Education and the Department for Science, Innovation and Technology (with some input from the Department for Health and Department of Business, Energy & Industrial Strategy when relevant) and is implemented by the Office for Students (OfS), the independent regulator of HE in England. London Higher seeks to influence policy at local and national Government level and to develop and run HE collaborations that reflect national policy and that which are tailored to the London region and the unique nature of the London group of HEIs. 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.

**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	Probability (1-5)	Impact (1-5)
1	Changes in government and/or to government policies	5	4
2	Economic downturn effecting HEIs	3	4
3	Member dissatisfaction: Members leave or do not make contributions Reduced services to members and /or reduced staff level Reporting a loss at year end No longer able to represent the 'London cluster'	2	4
4	London Higher is perceived as not being politically impartial or receives negative media coverage resulting in members/ stakeholders losing trust in the organisation	1	3
5	One or more of LH pillars membership (AHE, LMED, LHEG) are financially untenable and unable to contribute towards overheads of business.	2	4
6	Removal of grant funding (Uni Connect): Staff are made redundant/ leave for job security. Impact on business forward planning. Loss of contribution towards overheads/ contribution to core staff roles	4	3
7	Financial obligations outlast membership terms resulting in reduced services to members and /or reduced staff level or closure of the organisation	1	5
8	Board conflicts or biased influencing. Board members act in the interests of their own institutions rather than in the best interests of the business	3	3
9	Key leadership roles leave causing reputational damage and key knowledge lost	2	4
10	Declining membership participation/Heads of Institutions leave and their replacements do not renew the LH subscription	3	2
11	Ineffective communications strategy	2	3
12	Growing membership resulting in too much work for current LH team to manage/ or risk of diluting the essence and mission of LH	2	2
13	London Higher IT systems are compromised or become inaccessible	1	4
14	Failure to comply with H&S regulations	1	3
15	Breaches/ safeguarding issues when working with children/ children's data (under 16 - AHE division only)	4	2
16	Non-compliance with data protection laws	1	3
17	Retention of staff: loss of institutional knowledge, contacts and business continuity with fast turnover of staff.	4	2

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 change 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

1. **Our vision:** At London Higher, we seek to represent the full diversity of higher education in London, and we support our members by advocating for and on behalf of London's universities and higher education colleges. 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.
2. **Our mission:** 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 for their interests, locally and nationally. We influence and work with a wide range of stakeholders and networks as a trusted, non-partisan and professional partner.

At London Higher, we support our members by advocating for and on behalf of London's higher education sector. We act:

- as a convenor, hosting collaborative networks to identify new initiatives to solve common challenges;
- as a communicator, being a collective voice for our members and promoting London as a world-class study and research destination;
- and as a campaigner, responding to policy concerns and raising awareness of policy implications across our diverse membership.

3. **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.
4. **Our principles.** Through the work on our Business Strategy 2023-26 we have identified four key principles that will determine our priorities over the next three years. These are based on the London HE sector being:

### **A local asset**

- Maintain and enhance the social mobility successes of London's HEIs.
- Promote and facilitate the civic contributions of London's HEIs.

### **A global magnet**

- Strengthen and promote 'brand London' to increase the region's global appeal to potential students, staff, researchers and investors.
- Build an attractive, diverse, inclusive and welcoming community in which to live, study, research and work.

### **An engine for innovation and enterprise**

- Champion London's R&D successes, support innovation and promote the sector's partnership potential with business, local authorities and the third sector.

- Promote and facilitate positive outcomes for both London’s graduates and London plc., including via employability and knowledge exchange.

**A source of skills and jobs**

- Strengthen understanding of the potential of the London HE sector to promote growth and opportunities, particularly through partnership with schools, colleges and employers.
- Promote London’s specialist knowledge and skills, including in the health and creative sectors.

5. **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 more than 50 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.
6. **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**

1. For over 20 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 and other channels; 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, including 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. We have earned, and in the past few years strengthened, our deserved reputation for advocating and promoting London’s HEIs and supporting our members in their responses to the challenges and opportunities that have emerged.
2. **Outputs.** Our outputs are diverse, including a wide range of projects and publications, as well as campaigns and data analysis, promotional material, and more. In this section we give summaries of some of the main activities each of our divisions has undertaken during the past year, including our network activity, meetings, lobbying work and events in addition to our outputs:
  - 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 our outputs and achievements included:
    - Gained eight new members.

- Held 31 network meetings, with over 550 attendees
  - London Higher staff took part in 35+ external speaking engagements.
  - Placed 50+ comments in the media, including national papers such as the Guardian.
  - Published 15+ blog posts.
  - Kicked off the #WeAreInternational campaign, working with four other organisations across the sector.
  - Produced 11 publications, including two major reports hitting headlines.
  - Submitted four consultation responses.
  - Visited a large proportion of our members on campus.
  - The Global Majority Mentoring Programme entered its second year with 15 member institutions participating.
  - Strengthened our relationship with the GLA and its key initiatives, with London Higher now represented on the London Partnership Board, the London Anchors Institutions' Network and the Skills for Londoners Boards, among others.
  - Continued regular engagement with key Government departments, regulators and funders.
- b) **London Medicine & Healthcare** brings together senior representatives from across London's schools of medicine, 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:
- LHEG sponsored the "University Educator of the Year" category in the Student Nursing Times Awards.
  - LHEG funded two projects through the LHEG Project Fund this year. One on facilitating the implementation of Early Career Academics within healthcare higher education and the other on bespoke live simulated learning sessions and a filmed resource, focusing on the needs of learning disability service users, for healthcare students and clinicians.
  - Launched a new Project Fund for 2023/24, which includes LMED alongside LHEG.
  - Submitted evidence to The Times Health Commission detailing areas of concern and suggesting areas of collaboration.
  - Held quarterly meetings for both groups and have brought the Chairs of the groups together to discuss key areas of shared interest.
  - Undertook a range of social media activity to support the groups.
- 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 2022-23 we:
- Engaged approximately 1000 students through UniConnect outreach work in seven schools around London.
  - Continued to deliver employability activity as a partner in the Mayor's Creative Skills Academy, benefitting over 400 students and graduates, of whom 50 have secured work or paid placements in the industry.

- Received £2.2m in funding to deliver the Metro London Skills Cluster with partners. Held 17 Forum meetings for widening participation practitioners.
- Published a Cost of Living advice guide for prospective students in London and ran a best practice workshop for staff in London HE aimed at improving the support offered to current students who are facing cost pressures.
- Submitted two consultation responses covering care experienced young people and Equality of Opportunity.

## FINANCIAL REVIEW

7. Our financial goal is to expand and enhance member services by offering an effective and streamlined financial administration. Total income 2022-23 was £1,085,367, an increase of £62,730, 6.1%, compared to 2021-22 (£1,022,637). The main factors were as follows:
- Membership Income increased by £81,153 or 12% with growth in all membership networks' income apart from AccessHE.
  - Projects and Event Income increased by £45,056 or 342% due to London Higher receiving sponsorship for the Global Majority Mentoring Programme (£12,000) and the Summer Event (£6,000) and being commission to produce several specific programmes - a GLA sponsored Civic Innovation Report (£10,000) and a County Lines Report (£7,200). In addition, AccessHE received sponsorship for the Hackney Youth Project (£5,000), a GLA Sponsored Academy (£12,948) and an Action for E3 programme (£9,970).
  - Finance Income increased by £4,308 or 362% due to rising interest rates through 2022-2023.
  - Grant Income was substantially reduced from last year by £67,787 the equivalent of 21%. This was due to the OfS reducing the Uni Connect grant allocations for AccessHE.

Total expenditure 2022-23 (£1,062,078) increased by £33,438, 3%, compared to 2021-22 (£1,028,640). The main contributors the growth were higher project and direct delivery costs (including specific project costs where specific grants/sponsorship was received) offset by lower support costs and lower spending on the Uni Connect programme to match the lower level of OfS grant. Direct Costs increased by £60,997 or 7% and Support Costs decreased by £27,559 or 20%.

- London Higher Core Membership - During the year LH, invoiced 38 members for a total of £487,768 (Budget £468,179). The increase is due to 3 new members and full year contributions from the 5 members who joined or re-joined part way through 2021-22. These figures also include an inflationary increase of 3%. (The increase was ratified by the Board).
  - London Medicine and Healthcare Membership Income – During the year, the division invoiced 27 members for a total of £96,500. An increase of 15% against the budget (£84,250) with three new members during the year. Under the umbrella of London Medicine and Healthcare also sits the Mental Health project which will be reconfigured in 2023-24.
  - AccessHE invoiced 24 members for a total of £121,102. (Budget £129,568).
  - Uni Connect is grant funded by OfS and managed via Middlesex University in 2022-23. At 31 July 2023, the division had total funds of £14,467 to carry forward into FY 2023-24. Any excess funds from the 2022-23 grant will be returned to Middlesex University in 2023-24.
8. **Reserves Policy.** Total funds as 31 July 2023 are £756,844 (2021-22: £733,555). Of the total funds, £25,675 (2021-22: £27,176) were represented by restricted funds and £731,169 (2021-22: £706,379) by unrestricted funds. Free Reserves (i.e. unrestricted funds excluding fixed assets and amounts designated) stood at £726,291 (2021-22: £697,489) at 31 July 2023.

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 Free Reserves of £726.291 meets the criteria.

The Net Book Value of Fixed assets was £4,877 and London Higher has no other Designated Reserves as of 31 July 2023.

#### PLANS FOR 2023-24

9. **Financial Plan.** For the 2023-24 financial year we are forecasting income of £1,178,780 and expenses of £1,165,234 producing a budgeted surplus of £13,546 or 1% of income. The budget was presented to the Finance Committee of the Board in June 2023 and approved by the Board in July 2023.

10. **Strategies for the year.**

- a. **Openly and proactively championing 'Brand London'.** Representing London higher education institutions with a continued strong regional voice, influence and presence. This will include continuing work on the Levelling Up agenda to ensure the wider diversity of London is fully understood as well as the role London plays in supporting growth and development, not just in the capital but across the country.
- b. **Boosting our links with the London business community and support key sectors.** We recognise the increasing importance of closer links with business representatives. We see this engagement as being important from many perspectives. This includes helping members to attract the best talent, domestic and international.
- c. **Raising awareness of the role of universities and higher education institutions in innovation clusters and knowledge exchange.** We believe there is a need to increase understanding and appreciation of the contribution of London's higher education sector to research and the numerous clusters and spin-offs which support innovation and growth.
- d. **Engaging with the political landscape.** We want to play our full, vocal part in supporting members in what is a constantly changing higher education landscape. This means that we will continue to represent members at relevant events and boards.
- e. **Building on our members' successes.** We want to help our members to continue to attract the best talent, domestic and international. We want to support the many London students who choose to stay in London to go into higher education and then who stay on in the capital to live and work. That is why we commit to continually finding innovative ways to showcase our sector's achievements and highlight its contribution to all sectors of our economy and society, including by prioritising external engagements (keynotes and panel appearances) at relevant regional and national events.
- f. **Being responsive to need.** The higher education sector is in a period of change, and we will continue to be nimble, to ensure we can respond to consultations and issues quickly and as the need arises.
- g. **Prioritising internally.** The key to our success is in our people. We recognise the need to increase our income so that we can invest in recruitment and retention, upskilling the team, and providing better facilities and resources for the team. To achieve our priorities, we will continue to work on cross-divisional information-sharing and communications.
- h. **Listening to our members and working with them in the areas that matter to them.** From our recent survey we know there are certain key areas which are particularly important to our members. We will ensure we are tackling these issues by continuing to convene members on areas of interest, including through our core networks. We will continue to visit members and seek feedback, including from new and returning members.


## STATEMENT OF TRUSTEES' RESPONSIBILITIES

1. 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.)
2. 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.
3. 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.
4. 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.

5. **Resolution.** Approved by the London Higher Board of Trustees on 24 January 2024 and signed on its behalf by:



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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON HIGHER

### Opinion

We have audited the financial statements of London Higher for the year ended 31 July 2023 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 2023 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 12, 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: 19th February 2024

LONDON HIGHER

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating and Income and Expenditure Account)

FOR THE YEAR ENDED 31 JULY 2023

Company number 5731255

		Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
	Notes	£	£	£	£
<b>Income from:</b>					
Charitable activities					
<i>Membership income</i>	3	757,299	-	757,299	676,146
<i>Grants</i>	3	-	258,498	258,498	326,285
<i>Other</i>	3	63,618	-	63,618	18,562
Investment income	3	5,952	-	5,952	1,644
<b>Total income</b>		<u>826,869</u>	<u>258,498</u>	<u>1,085,367</u>	<u>1,022,637</u>
<b>Expenditure on:</b>					
Charitable activities	4	802,079	259,999	1,062,078	1,028,640
<b>Total expenditure</b>		<u>802,079</u>	<u>259,999</u>	<u>1,062,078</u>	<u>1,028,640</u>
<b>Net income/(expenditure)</b>	2	24,790	(1,501)	23,289	(6,003)
<b>Net movement in funds</b>		<u>24,790</u>	<u>(1,501)</u>	<u>23,289</u>	<u>(6,003)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		706,379	27,176	733,555	739,558
Transfer between funds		-	-	-	-
<b>Total Funds carried forward</b>		<u><u>731,169</u></u>	<u><u>25,675</u></u>	<u><u>756,844</u></u>	<u><u>733,555</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 on note 15.

The notes on pages 19 to 31 form part of the accounts.

	Note	2023 £	2022 £
<b>FIXED ASSETS</b>	7	<u>4,877</u>	<u>8,890</u>
<b>CURRENT ASSETS</b>			
Debtors	8	41,849	37,817
Cash at bank and in hand		<u>766,055</u>	<u>846,473</u>
		807,904	884,290
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(55,937)</u>	<u>(159,625)</u>
<b>NET CURRENT ASSETS</b>		<u>751,967</u>	<u>724,665</u>
<b>NET ASSETS</b>		<u><u>756,844</u></u>	<u><u>733,555</u></u>
<b>FUNDS</b>			
Unrestricted funds			
General funds	10	726,291	697,489
Designated funds	10	4,878	8,890
Restricted funds	10	<u>25,675</u>	<u>27,176</u>
		<u><u>756,844</u></u>	<u><u>733,555</u></u>

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 2024 and were signed on their behalf by:



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

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2023

Company number 5731255

	2023 £	2022 £
<b>Cash flows from operating activities:</b>		
Net income for the reporting period (per the statement of financial activities)	23,289	(6,003)
<b>Adjustments for:</b>		
Depreciation charges	4,846	3,307
Interest received	(5,952)	(1,644)
Decrease/(increase) in debtors	(4,032)	27,053
(Decrease)/increase in creditors	(103,687)	43,360
<b>Net cash provided by/(used in) operating activities</b>	<b>(85,535)</b>	<b>66,073</b>
<b>Cash flows from investing activities</b>		
Investment income	5,952	1,644
<b>Net cash provided by investing activities</b>	<b>5,952</b>	<b>1,644</b>
<b>Cash flows from capital expenditure and financial investment</b>		
Payments to acquire tangible fixed assets	(835)	(9,870)
<b>Net cash used in financing activities</b>	<b>(835)</b>	<b>(9,870)</b>
Change in cash and cash equivalents in the reporting period	(80,418)	57,847
Cash and cash equivalents at the beginning of the reporting period	846,473	788,626
Cash and cash equivalents at the end of the reporting period	766,055	846,473

Reconciliation of net debt	2022 At the start of the year	Cashflow	2023 At the end of the year
	£	£	£
Cash in hand	846,473	(80,418)	766,055
Total cash and cash equivalents	846,473	(80,418)	766,055

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 22-23 London Higher engaged with eight extra members strengthening the membership income position further. In addition, three more members have also joined during the first part of 23-24 and further potential members are in conversation with London Higher. Nonetheless the cost-of-living crisis is a strong reality and the company is taking the issue very seriously. In 2023 we launched a new three-year business strategy which was developed in consultation with our members and is line with the members' objectives, as well as the sector as a whole. The company has seen its profile rise and received praise and positive feedback from across the membership and sector. This positive feedback has given London Higher more confidence about the future.

Costs are kept under constant review to check they are value for money. OfS grant is coming to an end in July 2024 and the decision to continue will only be taken in late March 2024. Considering all these factors, and having completed a cash flow analysis for the next 18 months which considers different scenarios, the Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The ability to manage the company assets, the reserves levels and future plans gives Trustees confidence the charity remains a going concern for the foreseeable future.

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

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

**1. ACCOUNTING POLICIES (continued)****Critical accounting judgements and key sources of estimation uncertainty (continued)**

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

**Income**

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

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

Investment income relates to interest on from bank balances and is accounted for on an accrual 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:

**1. ACCOUNTING POLICIES (continued)**

Expenditure

London Higher

London Medicine & Healthcare

AccessHE

Uni Connect

Mental Health

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

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. The basis on which support costs have been allocated across the categories on the basis of the proportion of time spent by staff on those activities.

**Tangible fixed assets**

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

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

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

**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)	2023	2022
	£	£
<b>This is stated after charging:</b>		
Auditors' remuneration (excluding VAT)		
- current year	12,167	11,000
Depreciation	4,846	3,307
Operating lease rentals	50,400	54,629
	<u>          </u>	<u>          </u>
<b>3. INCOME</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Membership Contributions</b>		
London Higher Members	487,768	429,821
London Medicine	96,500	84,250
London Partners	51,929	39,992
AccessHE	121,102	122,083
	<u>          </u>	<u>          </u>
	757,299	676,146
<b>Grants</b>		
Ofs	258,631	346,536
Underspend	(133)	(20,251)
	<u>          </u>	<u>          </u>
	258,498	326,285
<b>Other</b>		
Project & event income	63,618	18,562
	<u>          </u>	<u>          </u>
	63,618	18,562
	<u>          </u>	<u>          </u>
<b>Total charitable income</b>	<b>1,079,415</b>	<b>1,020,993</b>
	<u>          </u>	<u>          </u>
Investment Income	5,952	1,644
	<u>          </u>	<u>          </u>
	5,952	1,644
	<u>          </u>	<u>          </u>
<b>Total income</b>	<b>1,085,367</b>	<b>1,022,637</b>
	<u>          </u>	<u>          </u>

4. ANALYSIS	Direct	Support	Total	Direct	Support	Total
CHARITABLE						
EXPENDITURE	Costs	Costs	2023	Costs	Costs	2022
	£	£	£	£	£	£
London Higher	507,723	50,732	558,455	397,102	75,124	472,226
London Medicine & Healthcare	82,197	11,000	93,197	67,820	11,000	78,820
AccessHE	119,427	31,000	150,427	99,787	29,167	128,954
Uni Connect	229,162	15,000	244,162	327,403	20,000	347,403
Mental Health	15,837	-	15,837	1,237	-	1,237
	<u>954,346</u>	<u>107,732</u>	<u>1,062,078</u>	<u>893,349</u>	<u>135,291</u>	<u>1,028,640</u>
		<b>2023</b>			<b>2022</b>	
		<b>£</b>			<b>£</b>	
<b>Support costs</b>						
Occupancy Cost		54,072			80,072	
Administration Cost		14,092			18,463	
Human Resource Cost		12,330			15,205	
Depreciation		4,847			3,307	
Communication Cost		-			-	
Governance (Note 5)		20,151			13,213	
Strategy Development		1,140			3,450	
Banking Charges		1,100			1,581	
		<u>107,732</u>			<u>135,291</u>	

5. GOVERNANCE COSTS	2023 £	2022 £
Audit fee (including VAT)	14,600	13,200
Accountancy fee	5,400	-
Trustees meetings	138	-
Company house filing	13	13
	<u>20,151</u>	<u>13,213</u>

6. ANALYSIS OF STAFF COSTS	2023 £	2022 £
Wages and Salaries	620,054	598,225
Social security costs	53,671	50,018
Pension costs	102,348	98,185
Recruitment expenses	1,685	7,604
	<u>777,758</u>	<u>754,032</u>

Included within Wages and Salaries are redundancy, settlement, termination payments made in the year of £3,997 (2022: £18,000).

The average number (headcount) of employees was:

	2023 Number	2022 Number
London Higher	9	8
London Medicine & Healthcare	-	1
AccessHE	2	2
Mental Health	-	-
Uni Connect	4	5
	<u>15</u>	<u>16</u>

During the year there was one employee (2022: three) 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:

	2023 Number	2022 Number
£90,000 - £100,000	<u>1</u>	<u>1</u>

Pension contributions payable by the Charity for the higher earners in the year were £20,141 (2022: £17,776).

No trustee received remuneration or reimbursement for expenses during the year (2022: Nil).

The key management personnel are defined as the CEO, COO, Head of AccessHE, Head of Policy and Director of Strategy of which the total employee benefits in aggregate for the year were £280,421 (2022: £239,270).

**7. TANGIBLE FIXED ASSETS**

	IT Equipment £	Fixtures & Fittings £	Furniture £	Total £
<b>Cost</b>				
At 31 July 2022	33,030	30,510	16,030	79,570
Additions	834	-	-	834
Disposals	(15,266)	(29,735)	(13,995)	(58,996)
At 31 July 2023	18,598	775	2,035	21,408
<b>Depreciation</b>				
At 31 July 2022	24,250	30,510	15,921	70,681
Charge for the year	4,737	-	109	4,846
Elim on disposal	(15,266)	(29,735)	(13,995)	(58,996)
At 31 July 2023	13,721	775	2,035	16,531
<b>Net Book Value</b>				
At 31 July 2022	8,780	-	110	8,890
At 31 July 2023	4,877	-	-	4,877

**8. DEBTORS**

	2023 £	2022 £
Trade debtors	9,040	11,025
Other debtors	-	-
Prepayments and accrued income	32,809	26,792
	41,849	37,817

**9. CREDITORS: amounts falling due within one year**

	2023 £	2022 £
Trade creditors	28,134	38,072
Accruals	20,000	65,991
Deferred income (see below)	6,910	54,857
Other creditors	893	705
	55,937	159,625

Deferred income	2023 £	2022 £
Balance at start of the year	54,857	32,458
Amounts released to income	(54,857)	(32,458)
Amounts deferred in the year	6,910	54,857
	<u>6,910</u>	<u>54,857</u>
Balance at the end of the year	<u>6,910</u>	<u>54,857</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 01/08/2022	Income	Expenditure	Transfers	Carried forward at 31/07/2023
	£	£	£	£	£
<b>Restricted funds</b>					
Curate	-	-	-	-	-
Mental Health	27,045	-	(15,837)	-	11,208
Uni Connect	131	258,498	(244,162)	-	14,467
	<u>27,176</u>	<u>258,498</u>	<u>(259,999)</u>	<u>-</u>	<u>25,675</u>
<b>Total Restricted funds</b>	<u>27,176</u>	<u>258,498</u>	<u>(259,999)</u>	<u>-</u>	<u>25,675</u>
<b>Unrestricted funds</b>					
<i>General funds</i>					
London Higher	447,560	581,349	(558,455)	4,012	474,466
London Medicine & Healthcare	144,946	96,500	(93,197)	-	148,249
AccessHE	104,983	149,020	(150,427)	-	103,576
<i>Designated funds</i>					
Fixed asset fund	8,890	-	-	(4,012)	4,878
EAIE fund	-	-	-	-	-
IT fund	-	-	-	-	-
	<u>706,379</u>	<u>826,869</u>	<u>(802,079)</u>	<u>-</u>	<u>731,169</u>
<b>Total Unrestricted funds</b>	<u>706,379</u>	<u>826,869</u>	<u>(802,079)</u>	<u>-</u>	<u>731,169</u>
<b>Total funds</b>	<u>733,555</u>	<u>1,085,367</u>	<u>(1,062,078)</u>	<u>-</u>	<u>756,844</u>

## 10. STATEMENT OF FUNDS (continued)

PRIOR YEAR	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
Uni Connect	20,249	327,285	(347,403)	-	131
	<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>

- *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.
- *Uni Connect*, 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.
- Mental Health is tasked with supporting an online Mental Health support hub for students and support staff. A review of the division and its resource needs in the future is taking place and should be completed by December 2023.
- Fixed asset funds represents the net book value of fixed assets held by the charity.

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

- *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>2023 Restricted Funds £</b>	<b>2023 Unrestricted Funds £</b>	<b>2023 Total Funds £</b>
Fixed assets	-	4,878	4,878
Current assets	39,331	768,571	807,902
Current liabilities	(13,656)	(42,280)	(55,936)
Transfer between funds	-	-	-
<b>Total funds</b>	<b>25,675</b>	<b>731,169</b>	<b>756,844</b>

<b>PRIOR YEAR</b>	<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>

**12. OPERATING LEASE COMMITMENTS**

At 31 July 2023 the charitable company had the total future minimum lease payments under operating leases (breaking clause 01 Feb 2024) as follows:

	2023 £	2022 £
Amounts due in:		
Within one year	50,400	50,400
Between two and five	116,265	166,665
<b>Total operating lease commitments</b>	<b>166,665</b>	<b>217,065</b>

The charge made to the Statement of Financial Activities in 2023 was £50,400 (2022: £54,629).

**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	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to 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:

	2023	2022
Males currently aged 65 (years)	23.9	23.9
Females currently aged 65 (years)	25.5	25.5
Males currently aged 45 (years)	25.9	25.9
Females currently aged 45 (years)	27.3	27.3

**14. Related Party**

There were no related party transactions (2022: none) during the year.

**15. Comparative Statement of Financial Activities**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2022 £
<b>Income from</b>				
Charitable activities				
<i>Membership income</i>	3	676,146	-	676,146
<i>Grants</i>	3	-	326,285	326,285
<i>Other</i>	3	17,562	1,000	18,562
Investment income	3	1,644	-	1,644
<b>Total income</b>		<u>695,352</u>	<u>327,285</u>	<u>1,022,637</u>
<b>Expenditure on</b>				
Charitable activities	4	<u>680,000</u>	<u>348,640</u>	<u>1,028,640</u>
<b>Total expenditure</b>		<u>680,000</u>	<u>348,640</u>	<u>1,028,640</u>
<b>Net income/Expenditure</b>	2	15,352	(21,355)	(6,003)
<b>Net movement in funds</b>		<u>15,352</u>	<u>(21,355)</u>	<u>(6,003)</u>
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>691,154</u>	<u>48,404</u>	<u>739,558</u>
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>