

**LONDON HIGHER**  
**(A company Limited by Guarantee)**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2019**

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

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**LONDON HIGHER**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2019**

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## **LONDON HIGHER**

### **REFERENCE AND ADMINISTRATIVE DETAILS**

**FOR THE YEAR ENDED 31 JULY 2019**

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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 0NN
<b>Registered office</b>	London Higher Tavistock House Tavistock Square London WC1H 9JJ
<b>Company Registration Number</b>	5731255
<b>Charity Registration Number</b>	1114873
<b>Company Secretary</b>	Michael Reynier (until 19 September 2018) Emmanuela Forte (from 20 September 2018)

### **LONDON HIGHER SENIOR MANAGEMENT TEAM**

Jane Glanville	Chief Executive Officer
Graeme Atherton	Head of AccessHE and NEON
Emmanuela Forte	Head of Finance
Amy Lightstone	Head of Strategy and Projects
Jamie MacKay	Deputy Head of AccessHE (until 28 September 2018)
Paresh Shah	Head of Case for HE (from 01 October 2018)
Michael Reynier	Deputy CEO (until 20 September 2018)
Jenny Wetherill	Head of Operations

## **LONDON HIGHER**

### **REFERENCE AND ADMINISTRATIVE DETAILS (continued)**

**FOR THE YEAR ENDED 31 JULY 2019**

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#### **BOARD OF TRUSTEES**

- Dr Peter Bonfield, **Vice-Chancellor** (*Elected Vice-Chair*) (from 01 August 2019)  
*University of Westminster*
- Professor Amanda Broderick, **Vice-Chancellor** (appointed on 01 August 2019)  
*University of East London*
- Professor Francis Campbell, **Vice Chancellor** (resigned on 31 July 2019)  
*St Mary's University Twickenham London*
- Professor Sir Paul Curran, **President** (appointed on 01 August 2018)  
*City, University of London*
- Professor Lynn Dobbs, **Vice-Chancellor** (appointed on 01 August 2019)  
*St Mary's University Twickenham London*
- Professor Linda Drew, **Director & CEO** (resigned on 31 July 2019)  
*Ravensbourne*
- Professor Peter John, **Vice Chancellor**  
*University of West London*
- Professor David Latchman CBE, **Master** (appointed on 01 August 2019)  
*Birkbeck, University of London*
- Professor Paul Layzell, **Principal** (*Elected Chair*)  
*Royal Holloway, University of London*
- Professor David Maguire, **Vice-Chancellor** (*Elected Vice-Chair*) (resigned on 31 July 2019)  
*University of Greenwich*
- Professor Paul O'Prey, **Vice-Chancellor** (resigned on 31 July 2019)  
*University of Roehampton*

#### **CO-OPTED TRUSTEES**

- Professor Anthony Bowne, **Principal**  
*Trinity Laban Conservatoire of Music and Dance*
- Dr Celia Caulcott, **Vice-Provost, Enterprise and London**  
*UCL & London Economic Action Partnership*
- Professor Deborah Gill, **Director of the Medical School**,  
*University College London*
- Professor Peter Kopelman, **Interim Vice-Chancellor** (resigned on 31 July 2019)  
*University of London*
- Professor John James Raftery, **Vice Chancellor** (resigned on 31 July 2019)  
*London Metropolitan University*
- Professor Wendy Thomson, **Vice-Chancellor** (appointed on 01 August 2019)  
*University of London*

## LONDON HIGHER

### TRUSTEES REPORT

#### FOR THE YEAR ENDED 31 JULY 2019

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The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 July 2019.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

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

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

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 £10,000, whether agreed in the Operational Plan or not, must be approved by the Board.
9. **Higher Education Institutions (HEIs).** Publicly funded HEIs in London are our company members. In the *Members' Agreement* they devolve to the London Higher Board of Trustees the power to make decisions on their behalf in the collective interests of the group, or parts thereof. This authority is safeguarded by Advisory Groups for each of our operational divisions which comprise senior representatives from the membership group.
10. **Higher Education Partners.** In response to Government policies aimed at reducing the distinction between publicly funded and other forms of higher education, in 2011 London Higher began to work with other, quality assured providers of higher education in London. We now recognise two additional partnership categories (as distinct from members): publicly funded higher education providers based *outside* London who have opened centres in London; and independent providers (including private providers and not-for-profit providers).
11. **Related Parties.** The policy landscape for higher education is currently set by the Department for Education and the Department of Business, Energy & Industrial Strategy (with some input from the Department for Health when relevant), and is now being implemented by the Office for Students (OfS), the independent regulator of HE in England, having previously been overseen by the Higher Education Funding Council for England (HEFCE). London Higher does not seek to influence policy at the Government level; rather it aims to develop and run HE collaborations that reflect national policy but which are tailored to the London region and the unique nature of the London group of HEIs. London Higher is starting to work with OfS and will become more fully engaged as OfS develops and executes its strategy for regulation of the HE sector. For details of related party transactions, see note 14.
12. Additionally, the Mayor of London, the Greater London Authority (GLA) and the London Economic Action Partnership (LEAP) have interests in higher education as it pertains to the capital. London Higher maintains links with each. The HE representative on the LEAP is co-opted onto the London Higher Board of Trustees.
13. **Risk Management.** London Higher maintains a Risk Register which ranks the key risks to which the organization is exposed, their likely impact and our proposed responses to them. The Risk Register is a standing item on all Board Agendas and at each meeting one risk is examined in detail by the Board. The Risk register is also a standing item at all SMT meetings. The Trustees are satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level. A Risk Register table is on pages 5 & 6.

# LONDON HIGHER

## TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

The principal risks and uncertainties identified by the charity are as follows:

1	Members leave or do not make contributions	Financial	Reduced services to members and /or reduced staff level	i) CEO/Chair has 1:1 meetings with all member to inform them of benefits and to receive feedback. This year an updated V&P document has been circulated to increase member engagement in business plan; ii) 12 month notification clause in Mem & Arts; iii) use peer group / mutual contacts to persuade otherwise.
		Reputational	Damage to reputation. (London Higher & Board) - no longer able to represent the 'london cluster'	i) negotiate partial access to LH services to mitigate financial and representational losses
2	London Higher fails to comply with a grant or project or is otherwise pursued for compensation related to quality of its work	Financial	Damages / reparations could impact on financial stability	Careful contract management: i) Regular financial reporting by Head of Finance; ii) regular project updates by head of relevant department & Executive; iii) maintain good working relationship with funders; iv) foster culture of early disclosure concerning problems
		Reputational	Loss of members would damage our reputation (London Higher & Board) and our ability to do lobbying and advocacy.  Damage to the reputation of the organisation to be trusted with data.	As above
3	A London Higher division either becomes <b>bankrupt</b> or leaves LH	Financial	Overheads cost would be shared out amongst fewer divisions	12 notice period for division to leave. Monthly management accounts reports
		Reputational	Loss of prestige	Provide excellent quality internal services to hosted divisions; ensure that VFM of LH hosting is understood; be fair and reasonable in the event of a cessation
4	Strategic differences occur between Members (or subsets thereof) and/or between Members (or subsets thereof) and the Executive and/or Board	Business effectiveness	Strategic uncertainty will hamper delivery of the Operational Plan	The Board and Executive propose an Operational Plan for the year ahead; the members agree the plan for year ahead at the AGM. once approved the Operational Plan may not be changed in substance without the agreement of a majority of the members
		Reputational	Confused presentation of London Higher's aims and purpose	The Board and Executive propose clear mission, value statements to given the organization for a 3-year period; the members agree these statements for the following 3-year period at an AGM.; once agreed the statements are not to be changed unless agreed by a majority of members
		Financial	Members not satisfied with the strategic direction of the organization may elect to withdraw their financial support	Members may withdraw from London Higher; however under the membership Agreement they must give one year's notice of an intention to withdraw. Notice will allow time for adjustments to be made to accommodate any financial loss
5	Lack of a notice period in our rental lease contract	Financial	Reduced services to members and /or reduced staff level	Either negotiate a notice period, give notice or if we are in a sufficiently sound financial position stay for the remaining five years.

14. **Remuneration.** Pay of all staff is reviewed annually and is normally increased to reflect cost of living (COL) adjustment. The education sector average COL and financial situation of the organisation are considered when making this decision. This change has to be authorised by the Remuneration Committee and is reported to the Board of Trustees. Any other increases to salary due to changes to a Job Description for staff below the highest remunerated staff members (CEO and Head of AccessHE) are considered managerial decisions and are reported to the Remuneration Committee. Increases for Graeme Atherton are recommended to the Remuneration Committee by the CEO and require authorization by the Committee. The Remuneration Committee sets the remuneration package for the CEO and, in doing so, takes account of sector benchmarks and the CEO's annual performance review undertaken by the Chair of the Board. From time to time we ask our HR consultants to perform a pay review to ensure that there are no biases in our pay in regard to age, gender and ethnicity and that the job families are remunerated in reference to the broader market for these roles.

#### OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

15. In June 2017 our current Business Strategy (2014-2017) was extended to 2019 with approval by our members. This decision was taken to reflect the highly dynamic nature of higher education policy at the present time. The extended Business Strategy defines our operating vision, mission and values.
16. **Our vision** defines the way we would like *London Higher* to look in the future. It is our aspiration and gives the context for our work. Under our current *Business Strategy* our vision is: *To be the forum for higher education institutions/providers in London.*
17. **Our mission** tells people how we intend to achieve our vision. It is a statement that defines the fundamental purpose of *London Higher* and is intended to explain why we exist and what it is that we do. Under our current *Business Strategy* our mission is: *To support our members to meet the challenges and opportunities of providing higher education in London.*
18. **Our values.** *London Higher* values are the beliefs that are shared among ourselves, our members and HE stakeholders. Values are important to articulate in our Business Strategy because it is through our shared values that we will develop our mission and vision. Values are the enablers to achieving our vision and mission. Under our current *Business Strategy* our value statement is: *London Higher is a trusted, non-partisan and professional partner.*
19. **Our activities.** Taking our vision, mission and values as a starting point, and in particular our aspirations to anticipate changes, seek opportunities and tell our members' story, we identify four activities through which we deliver our objectives:
- a) **Advocacy.** London Higher is the only voice that represents London's HE providers. No other body represents the full range of HE provision in London. We participate in consultations, respond to policy concerns and engage actively with key regional and national HE stakeholders.
  - b) **Collaborations.** London Higher is a non-partisan and trusted intermediary. When London HEIs act together the results are powerful and efficient. We manage collaborative initiatives and campaigns, e.g:
    - Case for HE (promotion and advocacy);
    - AccessHE & NEON (widening access);
    - London Medicine & Healthcare (health);
    - London Higher Europe (engagement with the EU).
  - c) **Networks.** No single organisation has the reach London Higher has across HE in London. Our professional networks bring together senior HE administrators across London to discuss the key issues affecting London HE. We use our networks to identify new opportunities and challenges for our members and to inform our advocacy, collaborations, events and projects.
  - d) **Events.** Our senior-level roundtables, staff development workshops and dissemination events are unique in being centred on operational issues, using expertise from within our own membership and offering wrap-around support.
20. **Our Business Strategy** details on how these four strands interact to provide members with comprehensive and holistic support (cf. Figure 2 and Table 1). Table 3 and Figure 4.

21. **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. They teach 382,000 students and employ over 93,000 members of staff. These people are 'our primary public.' 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. These include employers, parents and children, all of whom gain benefit from an efficient and effective higher education experience.

The full 2014-17 *Business Strategy, extended to 2019 (para.15 above)*, is available on our website at: <https://www.londonhigher.ac.uk/wp-content/uploads/2019/12/London-Higher-Business-Strategy-2014-2019-Final.pdf>

22. **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 school is not registered with the fundraising regulator and received no fundraising complaints in the year.

#### ACHIEVEMENTS AND PERFORMANCE

23. For 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 (through our networks); 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, if so mandated, appropriate measures to address the challenges or opportunities (our projects, collaborations, advocacy work); and 4) sharing this (and other) information with our members so that effect practice is promulgated (our events). This cycle of engagement-action-promotion is how we ensure that our outputs met our goals, and our goals are appropriate and have impact. During our existence we have earned a deserved reputation for advocating and promoting London's HEIs and supporting our members in their responses to the challenges and opportunities that have emerged.
24. **Outputs.** Our outputs are diverse including a wide range of websites, advisory groups and networks as well as research reports, feasibility studies, 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) **Case for HE** aims to create an ongoing and robust evidence-base in support of HE in the capital. In particular it seeks to: understand the challenges and opportunities *London Higher* members and partner institutions face; conceive, develop and manage responses that address these challenges and opportunities; and promote the impact of London's HE sector on the social, cultural and economic development of the region and beyond. During the year we: a) coordinated and provided secretariat assistance for 11 networks on themes such as mental health and wellbeing, research, planning, marketing, student housing, international activities, entrepreneurship and visa compliance. These networks are open to all our members and provide participants with a mechanism to share their experiences and discuss the challenges and opportunities of their respective roles. This ensures members are aware of developments within their peer networks, engage with key stakeholders collectively and help HE providers to operate efficiently; b) conducted eight high-level meetings for advocacy work with regulators, HE funders, business, regional and European bodies, and showcased London's HE at the House of Lords; c) produced case studies with our members for the London Industrial Strategy for the Mayor of London and to showcase London's Impact, and responded to the House of Lords call for evidence on the impacts of Brexit on EU student exchanges and research funding; d) published research on commuter students and factsheets on recent trends in London for student and staff numbers, Research Council funding, university finances, and business and community interactions. These research reports and updates helped provide business intelligence to our members based on emerging statistical trends and highlighting key areas for attention. They provide public benefit because they assist in responding to national policy initiatives. All are available on our website.
- 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: **a)** launched a new divisional website and a new divisional name for the 2019/2020 year, London Health HE (to reflect the incorporation of the London Health and Wellbeing Network in July 2019) **b)** hosted regular business meetings with key health policy stakeholders. These enabled senior staff from across London to network and share experiences as well as receive timely policy updates; **c)** carried out a third in-depth 'Vital Signs' project which explored the experiences of those who self-identify as widening participation students in London's medical schools. This resulted in the formation of a Pan-London WP Task Group, which is now self-run. We also held an inaugural annual event for those starting off at the Academic Clinical Fellowship and Clinical Lecturer level, jointly with HEE, in December 2018. This event was very well received and will be repeated in the 2019-2020 academic year. **d)** hosted an event as part of London HE week highlighting the unique opportunities presented to London's medical and dental students, and produced an accompanying 'There's Nowhere Like London' brochure **e)** monitored how changes to funding arrangements are affecting uptake of healthcare programmes in London, particularly by mature students. We commissioned data from UCAS to map the impact of the reform and disseminated key findings to HEE, the Council of Deans of Health and the Office for Students. Our intention is to publish these results in 2019-2020. **f)** formed a new Apprenticeship Forum to share experience and engage at greater depth with bodies such as HEE, the Council of Deans of Health, the NMC, and HEIs pioneering new approaches; **g)** responded collectively to the NMC's proposed standards for midwifery, as well as the NMC's stance on end-point assessment and **h)** took proactive and collective action to address issues in health student recruitment, including the production of a pan-London Health Course Guide, hosting a discussion on student funding as part of London HE Week and submitting a successful bid for the Office for Students Strategic Interventions in Health Education Disciplines (SIHED) Challenge Fund. Our project, CUREate, seeks to elevate awareness of postgraduate entry routes into health, tailored to the needs and interests of London's sizable creative student community. This will be delivered in the 2019-2020 academic year.

- c) **AccessHE** is the largest regional network in England engaging with over 300 higher education institutions (HEIs), schools, colleges and local authorities working in London to widen access to higher education. With representation from large and small HEIs alongside specialist and some alternative providers, being a part of AccessHE enables its members to develop collaborative relationships across London and to participate in joint activities. During 2018-19 we:
- continued to play a key delivery role in the London National Collaborative Outreach Programme (NCOP) – facilitating curriculum-linked workshops and activities with disadvantaged learners from schools in the London boroughs of Barking & Dagenham and Havering;
  - continued to facilitate our pan-London Action Forums, each focusing on different aspects of access support;
  - published a research report, 'POLAR Opposite', which highlighted some of the challenges and drawbacks of current strategies for identifying learners for widening access work in London, and put forward an alternative approach. The report was covered widely in the national press and has led to further work on the issue together with the GLA and the DfE;
  - added additional content to the innovative online learning platform, AccessHE Online, which offers a suite of short, open-access modules aimed at learners in year 9+ who may otherwise struggle to learn about some of the opportunities available to them at university;
  - coordinated the delivery of two residential Summer Schools, where we welcomed learners from outside of London to experience some of the wide range of higher education opportunities in the capital;
  - developed a new, expanded version of the AccessHE Creative HE Apply Guide. Originally a resource supporting progression to creative HE courses in London, the second version of the guide is a collaboration between AccessHE and members of UK Art and Design Institutions (UKADIA), showcasing the range of creative HE study options available nationwide;
  - hosted a conference for HEI members, schools, third sector partners and policymakers, focused on collaboration in London around the access and participation agenda. This brought together over 70 social mobility stakeholders and marked the start of the inaugural London HE Week, with keynote addresses from Dame Margaret Hodge MP and Sir Vince Cable MP;
  - delivered two student-facing events in collaboration with our members: the second Life After University conference for undergraduate students from care or estranged backgrounds, and University Information Day for prospective students with disabilities. Both of these events will run again in 2019-20.
- d) **NEON (National Education Opportunities Network)** was founded in 2012 and is the professional organisation for widening access to higher education and social mobility in the England. NEON undertakes professional development delivery, fosters collaboration and delivers research and advocacy related work. Since 2012 over

## LONDON HIGHER

### TRUSTEES REPORT (continued)

#### FOR THE YEAR ENDED 31 JULY 2019

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4000 people have attended NEON events. In 2018-19 NEON delivered nearly 40 events. NEON has over 100 members including over 80 higher education institutions. Over 2018-2019 NEON delivered the 7th annual NEON Summer Symposium hosted at the Lancaster University with keynote addresses from the Office for Students, the Chair of the National Association of Headteacher's and the shadow Minister for Higher Education and Skills. NEON has also produced new research in collaboration with Universities UK looking the perspectives of young people and parents in degree apprenticeships. NEON delivered focus groups with over 200 young people from 20 different schools. NEON has continued to work in 2018-19 with the National Collaborative Outreach Project (NCOP) which is being delivered through 29 regional consortia. NEON delivered bespoke training for over 100 NCOP staff in 4 different NCOP areas. It is also important in NEON's work to focus on the challenges facing particular groups in accessing higher education. In 2018-19 NEON's report 'Working Class Hero's: Access to HE for white learners from lower socio-economic groups' was particularly successful in moving work in this area forward gaining coverage in national media and leading to a new collaborative project involving 12 different universities and partnerships.

NEON continues to bring the national widening access to HE community together to share practice and recognize its achievements. The 6th NEON Awards reception took place in the House of Commons in May 2019. Finally, NEON also convened 9 national working groups in different areas of widening access practice which over 2018-19 engaged over 350 staff from over 65 organisations.

- e) **London Higher Europe.** London Higher Europe supports 10 London HEIs to increase their capacity and experience of EU engagement and funding programmes. The EU research agenda is important for the public because, despite Brexit, the EU funds research to help solve some of the world's great challenges, including improving health outcomes, connecting people digitally and reducing inequalities between regions. In the last 12 months we have received the most positive feedback ever from attendees of our events. We ran four London workshops, two training missions and one lobbying mission to Brussels. Our Brussels team has attended approximately 50 meetings and events on behalf of the consortium. We have written two articles on Brexit, published internationally, responded to three parliamentary consultations (and been directly quoted by the House of Lords) and contributed to a collaborative Brexit report which was launched in Brussels. We have engaged with over 35 individual researchers across the year, from all member institutions. Some of these interactions have directly supported bids going in. We have also launched our new communications software, Basecamp, which provides an online platform for all those who interact with the project.
- f) **Special Projects.** As well as managing our established member collaborations, we also have a portfolio of smaller or developmental projects that we oversee. This year we have been developing the following: a) Commuter students in London: a pilot project with quantitative and qualitative elements to determine the effects of commuting on student retention and experience. The project outputs should provide better understanding of the key factors which our members need to address in order to provide stronger engagement with students who spend a substantial amount of time travelling between their residence and main campus for study. The analytical framework developed in the project could also be adopted by other HE providers in and outside of London. b) London Works (in association with The Student Room): an online hub we have created to encourage more UK students residing outside of London to study in London. The hub benefits the public by providing prospective students with student-generated facts about what it is like to study in the capital; c) Univenture 2019: This followed on from the 2018 'competition of competitions' and involved eight institutions putting forward one student team each to exhibit their business idea to a crowd of investors, accelerators, fellow entrepreneurs and mentors. The event raised the profile of London's universities and the contribution they make not just in equipping students with entrepreneurial skills but also more broadly to UK economy and society. e) House of Lords reception *London's university sector – helping the economy and society in challenging times*, saw us promote the value that an international HE sector has for London, Londoners and the UK in general.

More details of these activities are presented in our *Annual Report* to members which can be downloaded from our website:

<https://www.londonhigher.ac.uk/wp-content/uploads/2019/09/LH-Annual-Review-18-19.pdf>

### FINANCIAL REVIEW

- 25. Our financial goal is to maintain and expand member services by offering an effective and transparent financial regime. In 18-19 London Higher was no longer funded by grant income by OfS for access work, but nonetheless a mix of Other Income and reduction of costs has allowed us to maintain core services and for a third year we have achieved a positive out-turn at the year end.

## LONDON HIGHER

### TRUSTEES REPORT (continued)

#### FOR THE YEAR ENDED 31 JULY 2019

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Income decreased slightly during end of 2019 due to a drop in Membership and Grant income. Other Income has increased by a total of £81k. The direct delivery of the projects (including staff costs) has decreased by £85k. Overheads costs also were kept in line with the budget and resulted in a small total saving of £8k.

**London Higher Core Membership** - On 1<sup>st</sup> of August **London Higher** invoiced 35 institutions for a total of £428,259 (£422,995 per 2018-19 Budget which includes a buffer of £20k for non-renewal). The SMT proposed and the Board agreed to a CPI increase of 2.5% from the previous year's fees.

As at July 2019, no membership fees remain outstanding.

**LMHC** issued membership invoices in October 18 for a total of £102,500. As at July 2019 a total of £100,000 has been collected as one member (for £2.5k) did not wish to renew the membership.

**AHE** raised a total Income of £153,608 between August 2018 and July 2019. The amount is a mix of B/F income from previous year, membership income and other income, 3 Members so far have decided not to renew. No other membership fee is outstanding.

**NCOP** is a full restricted grant and invoices are being issued one month after the work is completed. A funding schedule has been agreed in late February 19 and the total of £352,595 has been distributed to LH by Kingston University by end of July 2019.

**NEON** raised a combined total Income of £283,509 for membership, events, projects and other. That is about 41% more than their targeted annual income. About £15.7k of membership income has also been deferred into next financial year. No bad debts as per the year end.

**LHEUROPE** runs a FY from 1 March to 28 February. Therefore its funds have been deferred accordingly.

Subscriptions for the year (March 2019 to Feb 2020) have been issued in April 2019. So far a total of all members have paid.

#### 26. Reserves Policy.

Total funds as at 31 July 2019 were £789,788. Of the total funds, £317 (2018: £21,726) were represented by restricted funds and £789,471 (2018: £682,144) by unrestricted funds. Free Reserves (i.e. unrestricted funds excluding fixed assets and amounts designated) stood at £766,538 (2018: £648,318) at 31 July 2019.

The London Higher reserves policy is to hold 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 reserves of £789,471 are within this range.

Within designated funds, £17,500 are designated for IT capital expenditure. This is to replace current IT hardware in approx. one to two years' time. The IT fund would be used to replace ageing IT. We have extended the life of our current PC's by installing Solid State Drives but by 2020 many of them will be in excess of seven years old. The £17,500 would include software and installation for all purchases. £2,688 within the designated fund represents the net book value of assets. Also within Designated Funds we have the EAIE funds of £2,745 which relates to a project which started in June 2018 and rolled over in 2019. London Higher will know during spring terms if some members wish to deliver EAIE 2020. If that is the case the carried forward amount will be used towards the direct delivery costs. Otherwise funds will be returned to the participating members.

#### PLANS FOR 2019-20

**27. Financial Plan.** For the 2019-20 financial year we are forecasting income of just above £1.6 m. In June 2019 we circulated a costed Operational Plan for 2019-20 to all members which indicates how this money will be disbursed. In January/February 2020 we revise the Plan to reflect the post-audit position.

**28. Strategies for the year.** With a budget of just over £1.6 million we propose to deliver c. **£132,365** of advocacy activities, c. **£183,900** of collaborations, **£36,650** of events and **£11,200** of networking opportunities (excluding salaries, overheads and administration). New initiatives this year include:

- 1) Deliver a new campaign series:
  - o Host (an enhanced) London HE Week, June 2020
  - o Host inaugural London HE Awards, June 2020
  - o Host inaugural London Wellbeing Week, March 2020
- 2) Conduct new research into the experience of commuter staff and students and its impact on wellbeing;

## LONDON HIGHER

### TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

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- 3) Develop and deliver the London Impact Initiative project, showcasing what London HEIs do for London;
- 4) Manage and deliver a new phase of NCOP activity (Phase 2) through AccessHE;
- 5) Manage and deliver a new OfS funded initiative through HEG to provide health careers advice to those enrolled in creative courses, supporting innovative approaches to encouraging participation in health HE courses;
- 6) Deliver enhanced and improved LH communications to members.

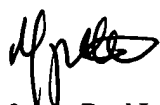
### STATEMENT OF TRUSTEES' RESPONSIBILITIES

29. 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.)
30. 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.
31. 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.
32. 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.

33. **Resolution.** Approved by the London Higher Board of Trustees on 22 January 2020 and signed on its behalf by:



Professor Paul Layzell  
Chair, London Higher

**Opinion**

We have audited the financial statements of London Higher for the year ended 31 July 2019 which comprise Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flow and the related 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 2019 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.

**Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement on page 11, 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.

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.

**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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable 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.

## **LONDON HIGHER**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON HIGHER (continued)**

**FOR THE YEAR ENDED 31 JULY 2019**

#### **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 incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report (which is included in the Trustee's report) has 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.

#### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

10 Queen Street Place  
London  
EC4R 1AG

Date: 4th February 2020

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**LONDON HIGHER**

**STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating and Income and Expenditure Account)

**FOR THE YEAR ENDED 31 JULY 2019**

**Company number 5731255**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
<b>Income from:</b>					
Charitable activities					
<i>Membership income</i>	3	765,479	-	765,479	797,461
<i>Grants</i>	3	-	352,595	352,595	422,312
<i>Other</i>	3	294,854	-	294,854	213,811
Investment income	3	3,009	-	3,009	2,611
<b>Total income</b>		<u>1,063,342</u>	<u>352,595</u>	<u>1,415,937</u>	<u>1,436,195</u>
<b>Expenditure on:</b>					
Charitable activities	4	956,015	374,004	1,330,019	1,415,091
<b>Total expenditure</b>		<u>956,015</u>	<u>374,004</u>	<u>1,330,019</u>	<u>1,415,091</u>
<b>Net income/(expenditure)</b>	2	<u>107,327</u>	<u>(21,409)</u>	<u>85,918</u>	<u>21,104</u>
<b>Net movement in funds</b>		<u>107,327</u>	<u>(21,409)</u>	<u>85,918</u>	<u>21,104</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		682,144	21,726	703,870	682,766
<b>Total Funds carried forward</b>		<u>789,471</u>	<u>317</u>	<u>789,788</u>	<u>703,870</u>

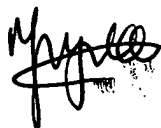
All amounts derive from continuing activities. There are no other gains or losses other than those shown above. The comparative Statement of Financial Activities is on note 16.

The notes on pages 17 to 29 form part of the accounts.

**LONDON HIGHER****BALANCE SHEET****AT 31 JULY 2019****Company number 5731255**

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>FIXED ASSETS</b>	7	<u>2,688</u>	<u>3,997</u>
<b>CURRENT ASSETS</b>			
Debtors	8	152,657	286,457
Cash at bank and in hand		<u>775,384</u>	<u>520,515</u>
		928,041	806,972
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(140,941)</u>	<u>(107,099)</u>
<b>NET CURRENT ASSETS</b>		<u>787,100</u>	<u>699,873</u>
<b>NET ASSETS</b>		<u>789,788</u>	<u>703,870</u>
<b>FUNDS</b>			
Unrestricted funds	11	789,471	682,144
Restricted funds	11	<u>317</u>	<u>21,726</u>
		<u>789,788</u>	<u>703,870</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 22 January 2020 and were signed on their behalf by:



**Professor Paul Layzell**  
**Chair, London Higher**

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The notes on pages 17 to 29 form part of the accounts.

**LONDON HIGHER**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 JULY 2019**

**Company number 5731255**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities:</b>		
Net income for the reporting period (as per the statement of financial activities)	85,918	21,104
<b>Adjustments for:</b>		
Depreciation charges	2,308	2,160
Interest received	(3,009)	(2,611)
Decrease/(increase) in debtors	133,800	(147,885)
Increase/(decrease) in creditors	33,842	(19,461)
<b>Net cash provided by/(used in) operating activities</b>	<b>252,859</b>	<b>(146,693)</b>
<b>Cash flows from investing activities</b>		
Investment income	3,009	2,611
<b>Net cash provided by investing activities</b>	<b>3,009</b>	<b>2,611</b>
<b>Cash flows from capital expenditure and financial investment</b>		
Payments to acquire tangible fixed assets	(999)	-
<b>Net cash used in financing activities</b>	<b>(999)</b>	<b>-</b>
Change in cash and cash equivalents in the reporting period	254,869	(144,082)
Cash and cash equivalents at the beginning of the reporting period	520,515	664,597
Cash and cash equivalents at the end of the reporting period	775,384	520,515

<b>Reconciliation of net debit</b>	<b>2018</b>	<b>2019</b>	<b>2019</b>
	<b>At the start</b>	<b>Cashflow</b>	<b>At the end of</b>
	<b>of the year</b>		<b>the year</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash in hand	520,515	254,869	775,384
<b>Total cash and cash equivalents</b>	<b>520,515</b>	<b>254,869</b>	<b>775,384</b>

The notes on pages 17 to 29 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 2015. As amended by SORP Update Bulletin 2.

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**

The trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives Trustees confidence the charity remains a going concern for the foreseeable future.

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

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

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

#### **Pensions:**

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

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

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

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

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

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

**Expenditure**

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

- London Higher
- London Higher Europe
- Case for HE/ London
- London Medicine & Healthcare
- Access HE
- NEON
- NCOP

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

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

## 1. ACCOUNTING POLICIES (continued)

### 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.

### Debtors

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

### Cash at bank and in hand

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

### Creditors and provisions

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

### Funds

Funds held by the charity are either:

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

**LONDON HIGHER**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 JULY 2019**

**Company number 5731255**

**2. NET INCOME**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>This is stated after charging:</b>		
Auditors remuneration (excluding VAT)		
- current year	8,900	8,320
Depreciation	2,308	2,160
Operating lease rentals	33,638	33,638
	<u>33,638</u>	<u>33,638</u>

**3. INCOME**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Membership Contributions</b>		
London Higher Members	428,259	432,940
London Higher Europe	29,458	30,500
London Medicine	100,000	102,500
London Partners	59,500	64,000
Access HE	117,583	128,690
NEON	30,679	38,831
	<u>765,479</u>	<u>797,461</u>
<b>Grants</b>		
HEFCE	-	25,000
Ofs	352,595	397,312
	<u>352,595</u>	<u>422,312</u>
<b>Other</b>		
Project & event income	294,854	213,811
	<u>294,854</u>	<u>213,811</u>
<b>Total charitable income</b>	<u><b>1,412,928</b></u>	<u><b>1,433,584</b></u>
<b>Investment Income</b>	3,009	2,611
	<u>3,009</u>	<u>2,611</u>
<b>Total income</b>	<u><b>1,415,937</b></u>	<u><b>1,436,195</b></u>

**LONDON HIGHER**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 JULY 2019**

**Company number 5731255**

<b>4. ANALYSIS OF CHARITABLE EXPENDITURE</b>	<b>Direct Costs £</b>	<b>Support Costs £</b>	<b>Total 2019 £</b>	<b>Direct Costs £</b>	<b>Support Costs £</b>	<b>Total 2018 £</b>
London Higher	333,232	84,386	417,618	362,726	90,787	453,513
London Higher Europe	23,554	-	23,554	22,815	-	22,815
London Medicine & Healthcare	103,674	8,255	111,929	86,417	8,053	94,470
Access HE	109,494	35,000	144,494	150,278	40,000	190,278
NEON	264,687	16,745	281,432	200,844	16,745	217,589
NCOP	330,992	20,000	350,992	416,426	20,000	436,426
	<u>1,165,633</u>	<u>164,386</u>	<u>1,330,019</u>	<u>1,239,506</u>	<u>175,585</u>	<u>1,415,091</u>

**ANALYSIS OF CHARITABLE EXPENDITURE**

**2019**

**£**

**2018**

**£**

**Support costs**

Occupancy Cost	81,685	91,724
Administration Cost	18,717	18,007
Human Resource Cost	13,706	21,077
Depreciation	2,306	2,160
Communication Cost	15,947	13,158
Governance (Note 5)	13,476	11,175
Strategy Development	17,020	15,196
Banking Costs	1,529	3,088
	<u>164,386</u>	<u>175,585</u>

5. GOVERNANCE COSTS	2019 £	2018 £
Audit and related fees (including VAT)	11,346	9,174
Trustees meetings	2,117	1,988
Company house filing	13	13
	<u>13,476</u>	<u>11,175</u>
6. ANALYSIS OF STAFF COSTS	2019 £	2018 £
Wages and Salaries	699,289	733,039
Social security costs	62,688	68,195
Pension costs	95,024	111,783
Recruitment expenses	10,133	17,483
	<u>867,134</u>	<u>930,500</u>

Redundancy or termination payments made in the year 2019: £5,794 (2018: £nil).

The average number (headcount) of employees was:

	2019 Number	2018 Number
London Higher	8	8
London Medicine & Healthcare	2	2
Access HE	3	4
NEON	4	3
NCOP	4	7
	<u>21</u>	<u>24</u>

During the year there were two employees (2018: 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:

	2019 Number	2018 Number
£60,000 - £70,000	-	1
£70,000 - £80,000	1	1
£80,000 - £90,000	-	1
£90,000 - £100,000	1	-
	<u>1</u>	<u>1</u>

Pension contributions payable by the Charity for the higher earners in the year were £32,147 (2018: £50,961).

No trustee received remuneration or reimbursement for expenses during the year (2018: Nil).

The key management personnel are defined as the CEO, Deputy CEO (till 20 September 2018) Head of Finance and Head of AccessHE and NEON of which the total employee benefits in aggregate for the year were £281,334 (2018: £356,000).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

Company number 5731255

7. TANGIBLE FIXED ASSETS	IT Equipment £	Fixtures & Fittings £	Furniture £	Total £
<b>Cost</b>				
At 31 July 2018	22,029	30,510	16,030	68,569
Additions	999	-	-	999
Disposals	(1,926)	-	-	(1,926)
At 31 July 2019	21,102	30,510	16,030	67,642
<b>Depreciation</b>				
At 31 July 2018	18,780	30,090	15,702	64,572
Disposals	(1,926)	-	-	(1,926)
Charge for the year	1,895	194	219	2,308
At 31 July 2019	18,749	30,284	15,921	64,954
<b>Net Book Value</b>				
At 31 July 2018	3,249	420	328	3,997
At 31 July 2019	2,353	226	109	2,688

All assets are held for operational purposes

8. DEBTORS	2019 £	2018 £
Trade debtors	109,561	199,249
Other debtors	2,485	3,250
Prepayments and accrued income	40,610	83,958
	152,656	288,508

9. CREDITORS: amounts falling due within one year	2019 £	2018 £
Trade creditors	75,637	61,692
Accruals	11,560	9,984
Deferred income (see below)	48,948	32,258
Other creditors	4,796	3,165
	140,941	107,099

Deferred income	2019 £	2018 £
Balance at start of the year	32,258	34,670
Amounts released to income	(32,258)	(34,670)
Amounts deferred in the year	48,948	32,258
Balance at the end of the year	48,948	32,258

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

## 10. STATEMENT OF FUNDS

	Brought forward at 01/08/2018 £	Income £	Expenditure £	Transfers £	Carried forward at 31/07/2019 £
<b>Restricted funds</b>					
London Medicine & Healthcare	23,012	-	(23,012)	-	-
NCOP	(1,286)	352,595	(350,992)	-	317
<b>Total Restricted funds</b>	<b>21,726</b>	<b>352,595</b>	<b>(374,004)</b>	<b>-</b>	<b>317</b>
<b>Unrestricted funds</b>					
London Higher	401,642	496,767	(408,033)	1,309	491,685
London Higher Europe	7,685	29,458	(23,554)	-	13,589
London Medicine & Healthcare	102,500	100,000	(88,917)	-	113,583
Access HE	70,809	153,608	(144,494)	-	79,923
NEON	65,681	283,509	(281,432)	-	67,758
<b>Designated fund</b>					
Fixed asset fund	3,997	-	-	(1,309)	2,688
EAIE fund	12,330	-	(9,585)	-	2,745
IT fund	17,500	-	-	-	17,500
<b>Total Unrestricted funds</b>	<b>682,144</b>	<b>1,063,342</b>	<b>(956,015)</b>	<b>-</b>	<b>789,471</b>
<b>Total funds</b>	<b>703,870</b>	<b>1,415,937</b>	<b>(1,330,019)</b>	<b>-</b>	<b>789,788</b>

# LONDON HIGHER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

Company number 5731255

### 10. STATEMENT OF FUNDS 2018

	Brought forward at 01/08/2017 £	Income £	Expenditure £	Transfers £	Carried forward at 31/07/2018 £
<b>Restricted funds</b>					
London Medicine & Healthcare	117,482	-	(94,470)	-	23,012
Access HE	87,837	-	(87,837)	-	-
NEON	81,188	-	(81,188)	-	-
NCOP	37,828	397,312	(436,426)	-	(1,286)
<b>Total Restricted funds</b>	<b>324,335</b>	<b>397,312</b>	<b>(699,921)</b>	<b>-</b>	<b>21,726</b>
<b>Unrestricted funds</b>					
London Higher	334,774	507,051	(524,981)	-	401,642
London Higher Europe	-	30,500	(22,815)	-	7,685
London Medicine & Healthcare	-	102,500	-	-	102,500
Access HE	-	173,250	(102,441)	-	70,809
NEON	-	202,082	(136,401)	-	65,681
<b>Designated fund</b>					
Fixed asset fund	6,157	-	(2,160)	-	3,997
EAIE fund	-	23,500	(11,170)	-	12,330
IT fund	17,500	-	-	-	17,500
<b>Total Unrestricted funds</b>	<b>358,431</b>	<b>1,038,883</b>	<b>(715,170)</b>	<b>-</b>	<b>682,144</b>
<b>Total funds</b>	<b>682,766</b>	<b>1,436,195</b>	<b>(1,415,091)</b>	<b>-</b>	<b>703,870</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.

*Access HE* is a pan-London organisation enabling the provision of support for young people from disadvantages backgrounds to enter Higher Education. Access HE facilitates collaboration and activities that aim to increase social mobility in the capital.

*Case for HE* is a core work stream of London Higher resourced primarily by member contributions. The programme aims to create and ongoing and robust evidence-base in support of HE in the capital.

*NEON*, a national organisation supporting professionals involved in widening access to HE.

*NCOP*, Access HE is a key delivery partner in the HEFCE-funded London National Collaborative Outreach Programme (NCOP), created to help realise the Prime Ministerial goal of doubling participation in Higher Education by 2020 for those from lower participating neighbourhoods. The initiative will engage 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.

# LONDON HIGHER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

Company number 5731255

IT fund -The IT fund will be used to replace ageing IT. We have extended the life of our current PC's by installing Solid State Drives but by 2020 many of them will be in excess of six years old. The £17,500 would include software and installation for all purchases.

EAIE fund – A one-off subscription by members of LH International to fund an exhibition stand and promotional literature with London& Partners at the EAIE international study conference in Geneva in September 2018. The stand was used to promote London as a world class destination for HE study.

### 11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2019 Restricted Funds £	2019 Unrestricted Funds £	2019 Total Funds £
Fixed assets	-	2,688	2,688
Current assets	10,551	917,490	928,041
Current liabilities	(10,234)	(130,707)	(140,941)
<b>Total funds</b>	<b>317</b>	<b>789,471</b>	<b>789,788</b>

	2018 Restricted Funds £	2018 Unrestricted Funds £	2018 Total Funds £
Fixed assets	-	3,997	3,997
Current assets	45,359	761,613	806,972
Current liabilities	(23,633)	(83,466)	(107,099)
<b>Total funds</b>	<b>21,726</b>	<b>682,144</b>	<b>703,870</b>

### 12. OPERATING LEASE COMMITMENTS

At 31 July 2019 the charitable company had the total future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Amounts due in:		
Within one year	33,638	33,638
Between two and five	53,104	86,743
<b>Total operating lease commitments</b>	<b>86,742</b>	<b>120,381</b>

The charge made to the Statement of Financial Activities in 2019 was £33,638 (2018: £33,638).

**13. PENSION SCHEME**

The institution participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. 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 wholly 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) and therefore an expense is recognised.

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2017 (the valuation date), which was carried out using the projected unit method. The valuation as at 31 March 2018 is underway but not yet completed. Since the institution cannot identify its share of Retirement Income Builder Section of the Scheme assets and liabilities, the following disclosures reflect those relevant for the section as a whole. The 2017 valuation was the fourth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the Scheme was £60.0 billion and the value of the Scheme's technical provisions was £67.5 billion indicating a shortfall of £7.5 billion and funding ratio of 89%. Defined benefit liability numbers for the Scheme for accounting purposes have been produced using the following assumptions as at 31 March 2018 and 2019.

	2019	2018
Discount rate	2.44%	2.64%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.11%	2.02%

The main demographic assumption used relates to the mortality assumptions. These assumptions have been updated for the 31 March 2018 accounting position, based on updated analysis of the Scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

	<b>2017</b>
Mortality base table	<u>Pre-retirement</u>
	71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females
	<u>Post Retirement</u>
	96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females.
Future improvements to mortality	CMI 2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

**13. PENSION SCHEME (continued)**

The current life expectancies on retirement at age 65 are:

	<b>2019</b>	<b>2018</b>
Males currently aged 65 (years)	24.6	24.5
Females currently aged 65 (years)	26.1	26.0
Males currently aged 45 (years)	26.6	26.5
Females currently aged 45 (years)	27.9	27.8

**14. Related Party**

There were no related party transactions (2018: none) during the year.

## 15. Comparative Statement of Financial Activities

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2018 £
<b>Income from</b>				
Charitable activities				
<i>Membership income</i>	3	797,461	-	797,461
<i>Grants</i>	3	25,000	397,312	422,312
<i>Other</i>	3	213,811	-	213,811
Investment income	3	2,611	-	2,611
<b>Total income</b>		<u>1,038,883</u>	<u>397,312</u>	<u>1,436,195</u>
<b>Expenditure on</b>				
Charitable activities	4	715,170	699,921	1,415,091
<b>Total expenditure</b>		<u>715,170</u>	<u>699,921</u>	<u>1,415,091</u>
<b>Net income/Expenditure</b>	2	323,713	(302,609)	21,104
<b>Net movement in funds</b>		<u>323,713</u>	<u>(302,609)</u>	<u>21,104</u>
<b>Reconciliation of funds</b>				
Total funds brought forward		358,431	324,335	682,766
<b>Total Funds carried forward</b>		<u>682,144</u>	<u>21,726</u>	<u>703,870</u>

All amounts are from continuing activities.