Trustee Report and Financial Statements
1 January 2018 to 30 June 2019
The trustees present their report with the audited financial statements of the charity for the period ended 30 June 2019.

**Legal status**
The London School of Architecture was established as a Charitable Incorporated Organisation (CIO) incorporated on 10 December 2014, and registered with the Charity Commission in England and Wales on 13 January 2015. The charity’s constitution was updated on 4 October 2019.

**Registered Charity number**
1159927

**Charitable objectives**
To advance the education of the public in general (and particularly among the architectural profession) on the subject of architecture and to promote design and research for the public benefit in all aspects of architecture and to publish the useful results and proposals.

**Public Benefit**
The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity’s aims and objectives, in planning future activities and setting a grant-making policy for the year and that they have complied with the duty in section 17(5) of the 2011 Charities Act.

The trustees are satisfied that all charitable activities during the year are for the benefit of the public and the benefits of each and every activity are clearly identifiable. Further details are set out in this report.

**Vision and mission**

**Vision**
Our vision is that people living in cities experience more fulfilled and more sustainable lives. Our school educates future leaders to design innovations that contribute to this change.

**Mission**
- **Network** – To bring together outstanding students, practices,
professionals, educators and entrepreneurs to generate and champion essential new approaches to the design of the urban built environment.

- **Institution** – To establish the school as independent and financially sustainable, achieving the highest standards of governance and academic delivery with the spirit of agility, openness and responsiveness.
- **Programme** – To provide programme(s) that generate incremental and disruptive innovations in the design of architecture and cities, and which critically equip our graduates for the creative and commercial practices of tomorrow.
- **Talent** – To be the route of choice for gifted students to become future spatial leaders, recruiting talented candidates from across the whole of society by proactively addressing soft and hard barriers to the profession/industry.
- **Impact** – To influence the future of architecture and the city – and particularly London – by producing provocative design/research for global dissemination and by being nimble agents of change within the capital itself.

To deliver on the vision and mission, a strategic plan was developed by the executive, in consultation with the faculty and other stakeholders, and this has been agreed by the Board of Trustees.

### Outcomes

The LSA has two main outputs: graduates from the diploma programme (approx 40 annually); and published design/research (approx 40 proposals, and six design/research publications annually).

From these emerge outcomes: students are equipped with the knowledge, skills and behaviours to contribute innovations in the design of architecture and cities; while the publication of design/research promotes knowledge that influences others to contribute.

Our graduates and publications may be destined for the profession of architecture or an adjacent profession, and both of these can contribute to our ultimate goal.

### Activities

The LSA’s main activity is the Professional Diploma in Designing Architecture, a two-year Part 2-Level programme validated by London Metropolitan University (London Met) and supported by a distinguished Practice Network of London-based architecture firms. Our low tuition fees are balanced with placement salaries from within our Practice Network. To create a platform for discourse and knowledge exchange, we also have a public programme of lectures and events, website, and new magazine, Citizen.

### Enablers

The LSA’s three primary enablers are relationships with the external regulatory environment that make our programme a viable alternative route into the profession: London Met validation; professional body recognition from the Architects Registration Board and the Royal Institute of British Architects; and registration with the Office for Students.
People living in cities experience more fulfilled and more sustainable lives

Inputs
- Talented students: who will benefit from our model, drawn from across the whole of society; contribute revenue in fee income
- The Practice Network: a community of over 100 London practices who provide work placements, teaching, and physical resources
- Faculty: who are central to the delivery of the programme, and who drive the intellectual and creative life of the school
- Founders and supporters: who make the LSA financially viable in the mid-term by contributing donations or sponsorship
- Physical resources: where the programme delivery takes place, such as the Mare Street Studio or the Practice Network

Organisation

The Board of Trustees
The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet regularly to review developments with regard to the charity, its activities and to make any important decisions. When necessary, the trustees seek advice and support from the charity’s professional advisers.

The charity started 2018 with 8 trustees. Elsie Owusu stepped down from the Board on 31 July 2018; Diana Rice stepped down on 30 August 2019, so as to contribute her energy more directly on the student experience, taking up a new post as the LSA’s wellbeing coach. In May 2018, to strengthen the Board’s connection with our key strategic partners, we had two additions from our Practice Network: Deborah Saunt (DSDHA), who stepped down from being a faculty director to become a Board member; and Harbinder Birdi (Hawkins\Brown), who continues to teach as a Design Think Tank Leader. Both can offer their multiple perspectives as business leaders and educators.
There must be between three and twelve trustees in office at all times. The identification of potential new trustees is carried out by the Board. In selecting individuals for appointment the trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

On agreeing to become a trustee of the charity, they are thoroughly briefed by their co-trustees on the history of the school, the day-to-day management, the responsibilities of the trustees, current objectives and future plans.

In this accounting period, the Board of trustees agreed to amend the charity constitution to extend the maximum length of service as a trustee from 2 x three years to 3 x three years, in order to avoid the problem of multiple retirements as the original trustees reach the six year mark.

Management and governance
The Board of Trustees is supported in discharging its responsibilities by its sub-committees: the Audit & Risk Committee, the Finance and Resources Committee, the Remuneration Committee, the People Committee, and the Bursaries Committee.

The Board delegates the day-to-day operational functions to the Director, Will Hunter, and the School’s Senate of which the Director is Chair. The Director is assisted and advised by an Executive Committee. The Director manages members of the Executive Committee, who in turn manage the Module Leaders, the Practice Network, tutors and students.

The Board of Trustees assures itself of the quality of its provision with a robust system of governance. The Practice Network, Module Leaders and Course Forum (comprising students) feed back to the Executive Committee. London Met appoints External Examiners, who review the work of the school. The Executive Committee reports to the Board of Trustees and the Senate, which in turn also reports to the Board of Trustees. The Academic Court provides an independent report to the Board of Trustees. The Academic Court is a separate body, to remove the potential conflict of interest between financial and academic success. The LSA reports externally to the Charity Commission, the Architects Registration Board and the Royal Institute British Architects, and the Office for Students.

Key achievements
- The school produced its second and third set of graduates. We showed their work at public exhibitions at Somerset House (June 2018) and at our Mare Street gallery (June 2019).
- For 2018/19, we completed specific course designation with the Department for Education, by passing both a Financial Sustainability Management and Governance check with HEFCE and higher education review for an alternative provider with the Quality Assurance Agency. This gave our students access to the state package of financial support (such as student loans) for the first time.
- For 2019/20, we completed registration with the new Office for Students, which enables continued access to the state package of financial support for our students.
- We launched a new magazine, Citizen, for everyone engaged in creating the future city, with Isabel Allen as Editor-in-Chief,
Suzanne Trocmé as Publisher, and Simon Esterson as Creative Director.

- We recruited 51 students for 2019/20, achieving our target of 40 students for the first time. This is a 35% increase from 2018/19, and demonstrates the attractiveness of the LSA programme.
- The school continued to be honoured with the support of our Founding Practices and Founding Partners, with donations made by the following in the 18-month period to 30 June 2019: Orms, Alford Hall Monaghan Morris, Allies and Morrison, Foster + Partners, Grimshaw, Rogers Stirk Harbour + Partners, Savills and Stanhope.

Financial objectives
The LSA's primary financial objectives are to establish a tuition fee income that covers the costs of delivery of the programme on an ongoing basis, and to secure through other revenue streams such as fundraising sufficient resources to fund growth and provide long-term institutional robustness.

Key performance

Students
In 2018/19 we enrolled 38 students into the fourth cohort, and in 2019/20, we enrolled 51 students into our fifth. Student outcomes are evaluated through academic achievement. Their satisfaction is reported through an annual survey.

Practice Network
Our model requires all students to be in a work placement. Our Practice Network has grown to over 100 practices. We have been successful in placing 89 students over the last two years into work placements in London.

Regulatory requirements
- The LSA is validated by London Met. In March 2018, following a review, London Met agreed to renew our validation agreement for the maximum five years
- We retained full professional recognition from the Architects Registration Board and Royal Institute of British Architects for Part 2 accreditation and validation respectively
- For 2018/19, we secured specific course designation with the Department for Education, and for 2019/20, we continued this access to state funding (student loans) by completing our registration with the new Office for Students
- We successfully completed our third audit and annual submission to the Charity Commission

Financial position

Financial results
The financial statements are prepared on in accordance with Financial Reporting Standard (FRS 102), the applicable provisions of the Charities Statement of Recommended Practices (SORP), and the Statement of Recommended Practices (SORP): Accounting for Further and Higher Education, in order to provide a true and fair view of the financial performance and position of the CIO.

Income for the period was £982,609 (2017 £434,199) and expenditure was £875,453 (2017 £525,258). As a result, for the period ended 30 June 2019, there was a surplus of £107,156 (2017 £88,078).
deficit £91,059). The Charity holds its cash funds in a bank account with HSBC. The day-to-day management of receipts and payments is handled by the charity’s administrator and bookkeeper, under the direction of the Director, with oversight from the Treasurer and Audit & Risk Committee on behalf of the Trustees.

Reserves policy
It is the policy of the Trustees to hold sufficient funds in hand such that, together with appropriately forecast and largely contractual income, commitments and expenses for the current financial year are covered and further that an appropriate budget is maintained for future years to ensure longer term commitments are covered.

At 30 June 2019, the Trustees considered that, the cash balance of £271,054 together with income anticipated to be received, was sufficient to meet the accrued liabilities and cost commitments to run the charity effectively and meet its obligations, to the end of the 2019/20 academic year.

It is the policy of the Trustees to hold three months’ operational costs as unrestricted reserves. It is the intention of the Trustees to build up unrestricted reserves that represent, but do not significantly exceed, six months’ running costs in order to achieve greater financial robustness, which is a requirement of our regulator. The school is currently fundraising to deliver this objective.

Going concern
The Trustees of the charity believe that there are no material uncertainties that may cast significant doubt about the ability of the charity to continue as a going concern.

Future objectives
- To ensure that the school becomes substantially self-sustaining, which will require the continued recruitment of sufficient student numbers and maintaining sufficient reserves.
- To create impact and influence through the production of graduates and design/research, and to demonstrate the validity of our unique model of education.

Resources

People
Since our last audit for the period ending 31 December 2017, there have been a number of changes to the faculty in 2017/18 and 2018/19, which are detailed on page 16.

During 2018/19, the school undertook a reorganisation exercise to refresh the staff roles for 2019/20, with the purpose of acknowledging organic changes in the organisation; enabling the school to deliver planned academic enhancements to the Professional Diploma in Designing Architecture; meeting new requirements in the external regulatory environment; and aligning staff roles to implement our strategic plan.

As we have matured and successfully progressed through the professional body and higher education regulatory system, the operations of the institution and the programme have become increasingly distinct and separate. The introduction of the Office for Students has created a new regulatory regime for the LSA and has placed many of the regulatory requirements demanded of
universities onto the school, which is increasingly requiring different roles with different knowledge and skills.

Agreed by the Board in February 2019, the new strategic plan outlined the expansion of the architecture programme to include new courses within the next two years. To deliver the strategic plan, the school has established a framework that can accommodate this growth, with a robust institutional backbone supporting a number of different programmes.

When the school admitted its first cohort of students in October 2015, we had two heads of year: the Director of Inter-Practice (First Year) and the Director of Proto-Practice (Second Year). Alongside the former stepping down to join the trustee board, it has become clear that the faculty would welcome greater continuity between First and Second Year to drive the quality of design and enhance the student experience.

Through London Met procedures, we have formally changed the names of modules so that they are simpler to understand (the old module names are in brackets):

- Design Cities (Urban Studies)
- Design Think Tank (Design Think Tank)
- Design Direction (Architectural Design Direction)
- Design Speculation (Architectural Design: Speculation)
- Design History (History of Design Methodology)
- Design Tectonics (Comprehensive Design Project: Resolution)
- Design Thesis (Comprehensive Design Project: Direction)
- Design Synthesis (Comprehensive Design Project: Speculation)

For the academic year 2019/20, the faculty has been restructured to account for these changes. Will Hunter will become Founder & Chief Executive to more accurately reflect the nature of the role as the school has grown and plans to implement more growth. This new title acknowledges his responsibilities within the marketplace.

James Soane will transition from Director of Critical Practice to Research Director to give more prominence to the role research plays throughout the school, and in recognition of the significant additional work that has been undertaken to establish the research credentials of the LSA.

Clive Sall will change from Director of Proto-Practice to
Design Director. Previously the Director of Proto-Practice was focused exclusively on the Second Year. This role will take overall responsibility for the quality of design across the programme, overseeing all development, briefing and delivery of design teaching.

Stephanie Rice has been promoted from Operations Manager to Operations Director, a more senior role that recognises the outstanding contribution she has made to the school in the last two years. The LSA is currently recruiting a Programme Coordinator, and in due course will seek a People Director and Finance Director.

The module leaders have been re-titled to reflect the new module names: Lara Kinneir becomes Cities Leader; Lewis Kinneir, Tectonic Leader; and Alan Powers, History Leader. Fulfilling the school’s ambition for 50:50 gender balance in its visiting faculty, for 2019/20 we have employed 16 design tutors, with more women than men for the first time:

Akari Takebayashi (Design Office Takebayashi Scroggin); Annarita Papesci (Flow Architecture); Blazej Czuba (Public Practice / St Albans City and District Council); Esther Escribano (Studio Weave & 00); Giulia Furlan (Furlan Beeli et al); Jesper Henrikson (Hesselbrand); Jessie Turnbull (Mica); Maria-Chiara Piccinelli (Pim Studio); Matthew Whittaker (Whittaker Parscns); Paolo Vinermiti (Grimshaw); Petra Marko (Marko & Placemakers); Phillip Turner (AHMM); Rebecca Muirhead (A Small Studio); Steve Smith (Urban Narrative); Theo Games Petrohilos (Unknown Works); Xenia Adjoubei (Adjoubei Scott Whitby Studio).

The People Committee assists the Board of Trustees in discharging its responsibilities in relation to human resources. The Remuneration Committee is responsible on behalf of the Board of Trustees for agreeing the remuneration of the Director and roles reporting directly to the Director, and keeping under review the remuneration for all roles that form part of the School’s senior management team.

In setting salary levels, the LSA offers fair pay to attract and keep appropriately qualified staff to lead, manage, support and/or deliver the organisation’s aims. It also conducts online research of higher education salaries and uses surveys to benchmark levels of pay. The remuneration of key management personnel is benchmarked to relevant data. The LSA does not automatically award its staff with annual salary increases, either incremental or cost of living.
In its first four years of operation, while the school has been establishing itself, there have been no increases in salary for any staff members. As the school enters its fifth year, the Board has given consideration to succession planning and staff retention, and discussed the range of salaries. In 2019/20, the school will make some salary increases.

An analysis on 2018/19 budget produced a median gender pay gap of 0% and a mean gender pay gap of 8%. Men and women on an identical level of seniority – Academic Court members, module leaders and design tutors – have complete parity in remuneration. However, currently more senior executive positions are filled by men. Further analysis showed 13% of men and 13% of women were in the upper quartile, 8% men and 16% women in the upper middle, 24% men and no women in the lower middle, and 13% of men and 13% of women in the lower. The total staff cost is split evenly, with 51% going to men and 49% going to women.

**Physical resources**

In the practice-based first year, students are primarily based in their practice placement. In the studio-based second year, students are based at the LSA studio.

In the academic year 2017/18, the LSA studio continued to be at Somerset House. Following student feedback, we moved from a 584sqft room on the second floor of the New Wing in 2016/17 to a 649sqft room on the third floor of the New Wing. This was L-shaped, with three large windows and a skylight. There was more storage space for books and models. In the academic year 2017/18 we had under 30 students in second year; in 2018/19, nearly 40. We explored the options of accommodating this growth within Somerset House, but this proved impossible.

We wanted to remain in a single space. In consultation with staff and students, we chose to move to Hackney, into an approx. 2000 sqft space at 141A Mare Street, London, E8 3RH. We have a five-year lease with a three-year break.

This provides considerably more space, and a shop window onto the high street, so that the school has a visible presence – we now have our name above the door. Our neighbours are Space Studios, Second Home and WeWork, so we are very much immersed in a collaborative co-working milieu, which fits our ethos.
For our workshop in the academic year 2017/18, we had an institutional membership agreement with Makerversity, 'a pioneering community of emerging maker businesses'. In the academic year 2018/19, following consultation between staff and students, it was collectively decided to redistribute the workshop budget to give students choice in how to spend it.

First Year students have access to the facilities of their placement provider within the Practice Network as part of their employment, and our agreement with the practices. We continue to teach lectures, seminars and crits within the Practice Network.

The students continue to have access to London Met facilities, such as the library, as an ongoing commitment set out in on our contract with our validating partner. Additionally, we have agreed discounted rate for annual library membership with the Architectural Association, which students apply for individually.

**Reputation**

Over the 18 months of this accounting period, the LSA has continued to establish its reputation within the architectural and higher education communities. Highlights include:

- Established by Alexander Frehse and Aleksandar Stojakovic soon after they graduated in the summer of 2017, Studio 8-Fold is the first architectural practice to emerge from the LSA. On 25 February 2018, the practice co-wrote an article for the Evening Standard calling for a new approach to dealing with waste and recycling in London as the first in a series for the Homes & Property section.
- Key members of faculty have represented the school internationally. On 25–27 January 2018, LSA Founder/Director Will Hunter spoke about the LSA's new model of education at the Yale School of Architecture alongside leading architects and

Top: LSA Founder Will Hunter explaining the school at the Smithson Plaza.

Right: LSA Graduates Aleksandar Stojakovic and Alexander Frehse formed Studio 8-Fold.
Right: some of our graduating students at Somerset House, June 2018.

Below: Blueprint for the future exhibition, summer 2018.

academics from Europe and America at the Rebuilding Architecture conference. On 8 February 2018, the LSA’s acting Deputy Director Lara Kinneir hosted an event on urban design governance at the World Urban Forum in Kuala Lumpur.

• On 19 February 2018, the Editorial Director of the Architect’s Journal, Paul Finch, wrote about the crisis in education funding and held up the LSA’s model as an example of innovation that is needed. Finch wrote: ‘the idea that borrowing £50k represents an increase in equality of opportunity is a sick joke’. He went on to say that ‘innovation and high standards are perfectly compatible, as the story of the London School of Architecture shows.”

• The LSA expanded its public programme with two successful end of year exhibitions, at Somerset House (2018) and our Mare Street Gallery (2019).

• On 6 June 2018, the LSA Design Think Tanks exhibition, Idencity, opened with a Live Design Pitch to a packed audience. Competed by BBC broadcaster Robert Elms, more than 160 people gathered at the Roca London Gallery to hear First Years and Design Think Tank leaders present their ideas to change the identity of London.

• In July 2018 and 2019, Blueprint magazine organised Blueprint for the Future, which showcased a selection of the finest architecture students graduating with a Part 2 across London. Work from the LSA was also featured in the print edition of Blueprint.

• On 26 July 2018, the Architects’ Journal’s former editor-in-chief, Christine Murray, reviewed the LSA’s end-of-year show at Somerset House. Murray stated: ‘the overall practicality of the proposals suggests the LSA will produce a cohort of oven-ready employees with strong communication and presentation skills and a firm grip on the socio-political struggle of the architect. This, especially when coupled with its mandatory work placement, does point to a value-for-money diploma.’

• On Saturday 23 June 2018, as part of the London Festival of Architecture, LSE Cities and the LSA hosted a sell-out lecture by Japanese architect Kengo Kuma. Our lecture series Bodies of Thought at the Royal Academy featured Pritzker Prize-winner Fumihiko Maki in September 2018.

• A proposal to incorporate ‘urban farming into city housing estates and blocks’ by the 2018/19 Design Think Tank led by Allies and Morrison and PiM Studio was featured in a BBC article on the future of food: https://www.bbc.co.uk/food/articles/future_of_food
In line with the requirement to undertake a risk assessment exercise and report on the same in their annual report, the trustees review and advise on the Risk Register maintained by management. The trustees have identified five main areas of principal risks and uncertainties which may occur:

- Governance and management: looks at the risk the charity might suffer from the lack of direction, the skills and training of the trustees and the good use of its funds;
- Operational: looks at the risk inherent in the charity’s activities including continuity of staff and a disaster recovery policy;
- Financial: includes those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies, unsuccessful fundraising, or loss of practice support;
- Reputational: possible damage to the charity’s reputation;
- Laws, regulations, external and environmental: looks at the effects of government policies and the consequences of non-compliance with the laws and regulations.

Having assessed the major risks to which the charity is exposed, the trustees believe that by monitoring reserve levels, by ensuring that controls exist over the key financial systems, and by examining the operational and business risks faced by the charity, they have established systems to identify and manage those risks, which remain under review.

**The Audit & Risk Committee**

The Audit & Risk Committee is responsible to the Board for:

1. Supporting the Board of Trustees in discharging its responsibility for adequate and effective risk management and control
2. Ensuring that systems are in place for the economic, efficient and effective operation of the school and for the prevention of fraud
3. Reviewing the school’s approach to Value for Money
4. Making recommendations as to the appointment of internal and external auditors and monitoring their performance
5. Ensuring the probity of the school’s Financial Statements
6. Ensuring that systems are in place to achieve data quality
7. Undertaking such other work as the Board may require

The Audit & Risk Committee is composed of four independent trustees, not serving concurrently on the Finance and Resources Committee, at least one of whom should have a background in finance. Independent Trustees: Margaret Stephens (Chair), Crispin Kelly, Robert Mull and Nick Bliss. External Member: John Oliver.

**The Finance & Resources Committee**

The Finance & Resources Committee is responsible to the Board for:

1. Considering and making recommendations in relation to the school’s financial strategy, including annual and long term capital and revenue plans
2. Ensuring that systems are in place to achieve financial viability and effective financial management of capital projects
3. Considering and making recommendations in relation to the school’s Financial Statements and management accounts
4. Advising as and when appropriate on the financial management of the school 
5. Recommending the Estates Strategy to the Board, and monitoring and reviewing its application and implementation 
6. Agreeing and prioritising which fundraising support would be appropriate and likely to be successful 
7. Agreeing fundraising plans in prioritised areas 
8. Overseeing the coordination and promotion of fundraising through a communications strategy designed to influence key external stakeholders to assist in fundraising 
9. Reporting to the Board on the progress in relation to fundraising 

The Finance and Resources Committee is composed of four independent Trustees: Roland Oakshett (Chair), Davina Mallinckrodt, Deborah Saunt and Harbinder Birdi. Ex Officio: Will Hunter. External member: Carolyn Larkin.

**The Remuneration Committee**
The Remuneration Committee is responsible on behalf of the Board of Trustees for:
1. Providing an independent view and governance check on executive pay and the school’s strategic approach to Total Reward 
2. Approving the school’s reward framework and compensation philosophy 
3. Approving the school’s annual cost of living award and costs pertaining to the annual Senior Managers’ salary review. 
4. Agreeing the remuneration of the Director of the LSA and roles reporting directly to the Director 
5. Keeping under review the remuneration for all roles that form part of the school’s executive group 
6. Approving any performance related pay (PRP) awards for all eligible members of the school 
7. Reviewing issues of equality and diversity in relation to remuneration of the school’s executive team 

In carrying out its responsibilities, the Committee will take into account factors such as legal and regulatory requirements, the external operating environment, the financial situation of the school, the value, breadth and complexity of all roles under consideration and the contribution of the role holder, set against national sector benchmarking data.

The Chair of the Committee shall have the authority to act on behalf of the Board (taking into account the advice of the governor representative on the appointment panel) in any case where a proposed salary fell outside the current policy.

The Remuneration Committee is composed of three independent Trustees: Crispin Kelly (Chair), Roland Oakshett and Diana Rice (academic year 2018/19). Ex-Officio: Will Hunter.
**Strategic partnerships.**
The LSA has a range of strategic partnerships. London Metropolitan is our Academic Partner, which awards the Professional Diploma in Designing Architecture and our Practice Network provides work-based learning opportunities and spatial provision for the taught programme. These relationships are managed and monitored by the executive team.

To deliver our public programme we work with the Drawing Matter Trust. In 2018, we held a series of lectures at the Royal Academy. To disseminate the work of the school, we work with Caro Communications.

To deliver on our mission to widen access to the profession of architecture, we have started working with Mossbourne Academy, our local school in Hackney.

**Equal opportunities**
The LSA’s full Equal Opportunity Policy is included in the Staff Handbook. Is committed to ensuring that, as far as is practicable, all employees, job applicants, customers/clients and other people with whom we deal are treated fairly and are not subjected to unfair or unlawful discrimination.

Our policy is designed to ensure that current and potential workers are offered the same opportunities regardless of sex, race, age, religion or belief, sexual orientation, disability, marital status or civil partnership, pregnancy/maternity, gender reassignment or any other characteristic unrelated to the performance of the job. We seek to ensure that no one suffers, either directly or indirectly, as a result of unlawful discrimination. This extends beyond the individual’s own characteristics, to cover discrimination by association and by perception. We recognise that an effective equal opportunity policy will help all employees to develop to their full potential, which is clearly in the best interests of both employees and our school.

We aim to ensure that we not only observe the relevant legislation but also do whatever is necessary to provide genuine equality of opportunity. We expect everyone who works for us to be treated, and to treat others, with respect. Our aim is to provide a working environment free from harassment, intimidation, or discrimination in any form that may affect the dignity of the individual.
The London School of Architecture
2017/18 & 2018/19

Trustees
Crispin Kelly, Chair
Elsie Owusu, Vice-Chair (resigned July 2018)
Roland Oakshott, Treasurer
Nick Bliss, Secretary
Davina Mallackrodt
Diana Rice
Margaret Stephens
Robert Maull
Deborah Saunt (appointed May 2018)
Harbinder Birdi (appointed May 2018)

Faculty
Founder / Director – Will Hunter
Director of Inter-Practice – Deborah Saunt (resigned May 2018 to take up position of Trustee)
Director of Proto-Practice – Clive Sall
Director of Critical Practice – James Soane
Acting Deputy Director – Lara Kinneir (academic year 17/18)
Associate Director – Vicky Richardson (academic year 17/18)
Registrar – Marilyn Dyer
Deputy Director – Nicola Read
Leader of Urban Studies – Lara Kinneir
Urban Studies Tutors – Steve Smith (17/18 and 18/19), Hana Loftus (17/18), Tomas Klassnik (18/19), Kaye Hughes (18/19)
Architectural Design: Direction tutors – Jesper Henriksson (17/18), Richa Mukhia (17/18), Theo Games Petrohilos (18/19), Steve Smith (18/19), Matthew Whittaker (18/19), Akari Takebayashi (18/19)
Critical Practice Tutors – Peter Buchanan, Rae Whittow-Williams
Leader of Historical Studies – Alan Powers
Leader of Technical Studies – Lewis Kinneir
Operations Manager – Stephanie Rice
Operations Coordinator – Jessica Schofield (October 18–April 19)
Network Coordinator – Jason Sayet

Academic Year 2017/18 Design Think Tank Leaders
Andrew McEwan (Orms), Aagie Jim Osman (Allies and Morrison), Anthony Engi-Mateckock and Giles Smith (Assemble), Chris Worsfold (Wimsturfl Peilerit), Christophe Egret and Mark Warren (Studio Egret West), Harbinder Birdi, Krisi Ermstons and Benjamin Graham (HawkinsBrown), Javier Quintana (IDOM), Joseph Zena-Henry (Jestico + Whiles), Maxine Pringle (ALL Design), Rae Whittow-Williams (PDP London), Rafael Marks (Pentreline & Prasad), Steven Kennedy (Grimshaw), Tessa Baird (OEB Architects), Tomas Klassnik (Klassnik Corporation)

Academic Year 2017/18 Second Year Design Tutors
Lucy Styles (Kazuyo Sejima + Ryue Nishizawa & Associates), Jesper Henriksson (Hesselbrand), Jessie Turnbull (MICA architects), Philip Turner (AHMM), Paolo Vitnercti (Grimshaw), Paolo Zaide (architect and academic)

Academic Year 2018/19 Design Think Tank Leaders
Akari Takebayashi (Heatherwick Studio), Angie Jim, Sarah Curran (Allies and Morrison), Christophe Egret (Studio Egret West), Harbinder Birdi, Benjamin Graham, Fiona Stewart and Mikel
Azcona (Hawkins/Brown), James Wignall (Wignall & Moore), Javier Quintana de Uña (Idom), Maria-Chiara Piccinelli and Maurizio Mucciola (PIM.studio Architects), Peter Swallow (Grimshaw), Rafael Marks and Anna-Lisa Pollock (Penoyre & Prasad), Thomas Bryans (IF_DO), Yasir Azami and Andrew McEwan (Orms)

Academic Year 2018/19 Second Year Design Tutors
Ben Gibson (Gibson Thornley Architects), Carl Turner (Carl Turner Architects), Cathy Hawley (Citizens Design Bureau), Jesper Henriksson (Hesselbrand), Jessie Turnbull (MICA architects), Lewis Kinneir (Skyroom), Paolo Zaidi (architect and academic), Philip Turner (AHMM), Paolo Vimercati (Grimshaw)

Academic Court
Professor Nigel Coates, Chair
Professor Farshid Moussavi
Professor Leon van Schaik (resigned May 2019)

Practice Network

Founding Patrons
Niall Hobhouse, Crispin Kelly, Sir Terry Leahy, Nadja Swarovski

Founding Practices
Allford Hall Monaghan Morris, Allies and Morrison, Grimshaw
Foster + Partners, IDOM, Orms, PDP London, Rogers Stirk Harbour + Partners, Scott Brownrigg
Founding Partners
Kingspan Insulation, Stanhope, Savills, Tata Steel

Founding Benefactors
Richard Collins, Martin Halusa, Sir Peter Mason, Davina Mallingkrodt

Independent Auditor
MHA MacIntyre Hudson, New Bridge Street House, 30-34 New Bridge Street, London EC4V 6BJ

Administrators
The Trust Partnership, 6 Trull Farm Buildings, Tetbury, Gloucestershire, GL8 8SQ

Bankers
HSBC, 60 Queen Victoria Street, London, EC4N 4TR

Solicitors
Withers LLP, 16 Old Bailey, London, EC4M 7EG

Academic Partner
London Metropolitan University

Registered offices
141A Mare Street, London, E8 3RH

Charity Registered Number
1159927
Statement of Trustees' responsibilities

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the constitution require the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice Accounting for Further and Higher Education;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the constitution. 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity’s website.

On behalf of the Board of Trustees

[Signature]

Signed: Crispin Kelly
Date: 12/11/19
Independent Auditor’s Report to the Trustees

Opinion
We have audited the financial statements of The London School of Architecture for the period ended 30 June 2019 which comprise the Statement of Comprehensive Income, the Statement of Change in Reserves, the Balance Sheet, the Cash Flow Statement and the related notes. 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 charity’s affairs as at 30 June 2019, and of its incoming resources and application of resources, for the period 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 Charities Act 2011.

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
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 charity’s ability to continue to adopt the going concern
basis of accounting for a period of at least twelve months from the
date when the financial statements are authorised for issue.

Other information
The trustees are responsible for the other information. The other
information comprises the information included in the trustees’
annual report, other than the financial statements and our auditor’s
report thereon. Our opinion on the financial statements does not
cover the other information and, except to the extent otherwise
explicitly stated in our report, we do not express any form of
assurance conclusion thereon.

In connection with our audit of the financial statements, our
responsibility is to read the other information and, in doing so,
consider whether the other information is materially inconsistent
with the financial statements or our knowledge obtained in the audit
or otherwise appears to be materially misstated. If we identify such
material inconsistencies or apparent material misstatements, we
are required to determine whether there is a material misstatement
in the financial statements or a material misstatement of the other
information. If, based on the work we have performed, we conclude
that there is a material misstatement of this other information, we
are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in
relation to which the Charities (Accounts and Reports) Regulations
2008 require us to report to you if, in our opinion:

● The information given in the financial statements is inconsistent in
any material respect with the trustees’ report; or
● Sufficient accounting records have not been kept; or
● The financial statements are not in agreement with the accounting
records; or
● We have not received all the information and explanations we
require for our audit.

Responsibilities of trustees
As explained more fully in the trustees’ responsibilities statement
set out on page 19, the trustees are responsible for the preparation
of financial statements which 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 charity’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 charity or to cease operations, or have no
realistic alternative but to do so.
Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
Use of our report
This report is made solely to the charity’s trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity’s trustees 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 charity and the charity’s trustees as a body, for our audit work, for this report, or for the opinions we have formed.

MHA MacIntyre Hudson

MHA MacIntyre Hudson
Statutory Auditor and Chartered Accountants
30-34 New Bridge Street House
London EC4V 6BJ

Date: 25 November 2019

MHA MacIntyre Hudson is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006
## Statement of comprehensive income for the period ended 30 June 2019

<table>
<thead>
<tr>
<th>Income</th>
<th>Unrestricted Income funds ended 30.6.2019 (€)</th>
<th>Restricted Funds ended 30.6.2019 (€)</th>
<th>Total Funds ended 30.6.2019 (€)</th>
<th>Total Funds ended 30.6.2019 (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition fees and educational contracts</td>
<td>718,275</td>
<td>73,075</td>
<td>215,824</td>
<td>240,958</td>
</tr>
<tr>
<td>Donations</td>
<td>165,424</td>
<td>60,000</td>
<td>22,924</td>
<td>24,024</td>
</tr>
<tr>
<td>Sponsorship</td>
<td></td>
<td></td>
<td>18,000</td>
<td></td>
</tr>
<tr>
<td>In-Kind Income</td>
<td>25,907</td>
<td></td>
<td>25,907</td>
<td>13,770</td>
</tr>
<tr>
<td>Other operating income</td>
<td>12,650</td>
<td></td>
<td>993</td>
<td>3915</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td><strong>824,809</strong></td>
<td><strong>60,800</strong></td>
<td><strong>292,509</strong></td>
<td><strong>343,409</strong></td>
</tr>
</tbody>
</table>

### Expenditure

<table>
<thead>
<tr>
<th>Activity</th>
<th>18 months</th>
<th>18 months</th>
<th>18 months</th>
<th>18 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charitable activities - bursary costs</td>
<td>8,900</td>
<td>1,300</td>
<td>3,200</td>
<td>4,500</td>
</tr>
<tr>
<td>Staff costs</td>
<td>3,204,042</td>
<td></td>
<td>322,042</td>
<td>177,454</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>438,316</td>
<td>56,500</td>
<td>497,816</td>
<td>296,334</td>
</tr>
<tr>
<td>In-Kind expenditure</td>
<td>25,907</td>
<td></td>
<td>25,907</td>
<td>13,770</td>
</tr>
<tr>
<td>Depreciation</td>
<td>94,700</td>
<td></td>
<td>94,700</td>
<td>217,000</td>
</tr>
<tr>
<td>Interest and other finance costs</td>
<td>16</td>
<td></td>
<td>16</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td><strong>814,653</strong></td>
<td><strong>60,800</strong></td>
<td><strong>575,453</strong></td>
<td><strong>565,256</strong></td>
</tr>
</tbody>
</table>

### Total Comprehensive (Expenditure)/Income for the year

| Income                                              | 107,156 | 107,156 | 94,068 |

## Statement of Changes in Reserves for the period ended 30 June 2019

<table>
<thead>
<tr>
<th>Income</th>
<th>18 months</th>
<th>18 months</th>
<th>18 months</th>
<th>18 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at 31 December 2017</td>
<td>110,289</td>
<td></td>
<td></td>
<td>201,348</td>
</tr>
<tr>
<td>(Deficit)/income from the income and expenditure account</td>
<td>107,156</td>
<td></td>
<td>107,156</td>
<td>94,068</td>
</tr>
<tr>
<td>Balance as at 30 June 2019</td>
<td>217,445</td>
<td></td>
<td>217,445</td>
<td>110,289</td>
</tr>
</tbody>
</table>

All of the charities’ activities derived from continuing activities. The notes on pages 26 to 31 form part of these financial statements.
### Balance sheet as at 30 June 2019

<table>
<thead>
<tr>
<th>Notes</th>
<th>As at 30.6.2019 (£)</th>
<th>As at 31.12.2017 (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30.6.2019 (£)</td>
<td>31.12.2017 (£)</td>
</tr>
</tbody>
</table>

**Non-current assets**

- Fixed assets: 8 33,785 1877

**Current assets**

- Trade and other receivables: 9 86,402 167,046
- Cash and cash equivalents: 271,054 206,797
- 357,466 373,843

**Less: Creditors – amounts falling due within 1 year**

- 10 173,736 265,431

**Net current assets**

- 183,660 108,412

**Total net assets**

- 217,445 110,283

**Reserves**

- Unrestricted Income Funds: 12 217,445 110,283
- Restricted Bursary Funds: 12 217,445 110,283

**Total Reserves**

- 217,445 110,283

Approved by the Board of Trustees on and signed on its behalf by:

**Crispin Kelly**  
Chair of the Board of Trustees

**Roland Oakshott**  
Treasurer

**Margaret Stephens**  
Chair of the Audit Committee

### Statement of cash flows for the period ended 30 June 2019

<table>
<thead>
<tr>
<th>Notes</th>
<th>18 months ended</th>
<th>12 months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30.6.2019 (£)</td>
<td>31.12.2017 (£)</td>
</tr>
</tbody>
</table>

**Net cash used in operating activities**

- 11 105,636 (30,626)

**Cash flows from investing activities:**

- Payments made to acquire fixed assets: 8 (41,378) 0

**Net cash used in investing activities:**

- (41,378) 0

Change in cash and cash equivalents in the reporting period: 64,257 (83,896)
Cash equivalents at the beginning of the reporting period: 206,797 281,423
Cash and cash equivalents at the end of the reporting period: 271,054 206,797
1. Accounting policies
In preparing the accounts the following accounting policies have been applied consistently:

1.1 Basis of accounting
- The accounts have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (FRS102), and where applicable in order to give a true and fair view, the Accounting and Reporting by Charities: 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 (FRS102).
- The charity constitutes a public benefit entity as defined by FRS 102.
- The financial statements are presented in sterling and are rounded to the nearest pound.
- The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

1.2 Status
London School of Architecture is a Charitable Incorporated Organisation (Charity Registered Number 1159927) incorporated on 10 December 2014 and registered with the Charities Commission on 13 January 2015.

1.3 Critical accounting estimates and areas of judgement
- Preparation of the financial statements requires the trustees to make significant judgements and estimates.
- The main items in the financial statements where these judgements and estimates have been made include estimating the value of deferred income at the year end and depreciation.

1.4 Going concern
- The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

1.5 Fund accounting
- Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.
- Restricted funds can only be used for particular restricted purposes within the objects of the charity.
- Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.
1.6 Recognition of income
- All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.
- Donations given for specific purposes are treated as restricted income. Tax recoverable is recognised on receipt of the donation.
- Donated facilities and services – where the organisation is given facilities and services for its own use which it would otherwise have purchased, these are included in the organisation's accounts as income and expenditure when received, provided the value of the gift can be measured reliably. The main type of donated facility is space for classes which is provided by architectural practices free of charge.
- Tuition fee income is recognised in the period in which tuition takes place.
- Deferred income represents revenues collected but not earned as of 30 June 2019. This is primarily composed of fee income collected in advance of courses taking place and deferred until the charity is entitled to that income as and when the course takes place.

1.7 Expenditure
- Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the activity.
- Where costs cannot be directly attributed to particular activities they have been allocated to activities on a basis consistent with the use of resources.
- Expenditure includes recoverable VAT which is reported as part of the expenditure to which it relates.
- Bursaries are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to award the bursary and has satisfied all related conditions.

1.8 Foreign currency translation
Receipts and payments which occur in foreign currencies are included in the accounts at the amount into which they are converted in sterling, using the exchange rate on the day in which the transaction occurs.

1.9 Debtors
Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

1.10 Cash at bank and in hand
Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

1.11 Creditors and provisions
- Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event. It is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.
- Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.
- Liabilities are recognised when the entity has an obligation to transfer economic benefits as a result of past transactions or events.

1.12 Tangible Fixed Assets
- All tangible assets purchased in excess of £500 and that have an expected useful economic life that exceeds one year are capitalised and classified as fixed assets. Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows: leasehold improvements – 33% straight line over the life of the lease; office equipment – 33% straight line.

1.13 Taxation
The Charity is an exempt Charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. It therefore does not suffer tax on income or gains applied for charitable purposes.

1.14 Operating Leases
Rentals under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

1.15 Financial Instruments
The Charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:
- Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 9. Prepayments are not financial instruments.
- Cash at bank – is classified as a basic financial instrument and is measured at face value.
- Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 10. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.
1.16 Pension policy
- In accordance with its duties under the Pensions Act 2008, the LSA enrolls eligible staff members in its stakeholder pension scheme with a default contribution from the staff member of 2% of gross salary. The LSA will match staff contributions to a maximum of 3% of gross salary.
- The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

1.17 Change in accounting period
The LSA was registered at the Charity Commission on 10 December 2014. At the time, to be able to apply to the government for access to the state package of financial support for our students, it was a requirement for new alternative providers to have three annual sets of audited accounts. We therefore wanted to complete this milestone as soon as possible, so set 31 December as our year end.

However, we naturally prepared our budgets according to the academic year, which starts in October and ends in July. Having a different year end to the academic year has made it more difficult to produce the accounts, and harder for them to be understood. The Board therefore took the decision to move the audit 18 months after 31 December 2017, which is the end of the accounting period for the last audited accounts.

Our new accounting period is to 30 June. We have also moved the start of our First Year from October to September, so that it doesn’t finish at the end of July, but the end of June, as our Second Year does. For future years, this should now make the accounting period much simpler to produce and understand.
<table>
<thead>
<tr>
<th></th>
<th>Unrestricted Funds</th>
<th>Restricted Funds</th>
<th>Other Funds</th>
<th>Total Funds</th>
<th>12 months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Tuition fees and education contracts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition fees UK</td>
<td>705,306</td>
<td>-</td>
<td>-</td>
<td>705,306</td>
<td>328,900</td>
</tr>
<tr>
<td>Discounts on tuition fees UK</td>
<td>(6,831)</td>
<td>-</td>
<td>-</td>
<td>(6,831)</td>
<td>(19,472)</td>
</tr>
<tr>
<td>Education contracts</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tuition fees EU</td>
<td>22,000</td>
<td>-</td>
<td>-</td>
<td>22,000</td>
<td>38,000</td>
</tr>
<tr>
<td>Discounts on tuition fees EU</td>
<td>(200)</td>
<td>-</td>
<td>-</td>
<td>(200)</td>
<td>(1,000)</td>
</tr>
<tr>
<td></td>
<td>718,275</td>
<td>-</td>
<td>-</td>
<td>718,275</td>
<td>348,425</td>
</tr>
</tbody>
</table>

- In 2017 all tuition fee income was unrestricted.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Donations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Founding Practices</td>
<td>92,500</td>
<td>-</td>
<td>-</td>
<td>92,500</td>
<td>27500</td>
</tr>
<tr>
<td>Founding Patrona</td>
<td>25,000</td>
<td>-</td>
<td>-</td>
<td>25,000</td>
<td>15000</td>
</tr>
<tr>
<td>Philip and Davina Mallinckrodt</td>
<td>2,000</td>
<td>-</td>
<td>-</td>
<td>2,000</td>
<td>5000</td>
</tr>
<tr>
<td>Garfield Weston</td>
<td>25,000</td>
<td>-</td>
<td>-</td>
<td>25,000</td>
<td>-</td>
</tr>
<tr>
<td>Schroder Foundation</td>
<td>-</td>
<td>50,000</td>
<td>-</td>
<td>50,000</td>
<td>-</td>
</tr>
<tr>
<td>Neil Hobhouse Drawing Matter</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General Donations</td>
<td>20124</td>
<td>-</td>
<td>4000</td>
<td>30124</td>
<td>4699</td>
</tr>
<tr>
<td>Gift Aid</td>
<td>500</td>
<td>-</td>
<td>-</td>
<td>500</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>165,244</td>
<td>-</td>
<td>5000</td>
<td>215,244</td>
<td>53,969</td>
</tr>
</tbody>
</table>

2017 Comparative Totals | 420,000            | 5000             | 4699        | 52192       |                |

4. Other operating income

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduation Lunch</td>
<td>6768</td>
<td>-</td>
<td>-</td>
<td>6768</td>
<td>3776</td>
</tr>
<tr>
<td>Other student fees</td>
<td>5673</td>
<td>-</td>
<td>-</td>
<td>5673</td>
<td>-</td>
</tr>
<tr>
<td>Bank Interest</td>
<td>62</td>
<td>-</td>
<td>-</td>
<td>62</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td>12503</td>
<td>-</td>
<td>-</td>
<td>12503</td>
<td>3345</td>
</tr>
</tbody>
</table>

- In 2017 all Other operating income was unrestricted.

5. Charitable activities – bursary costs

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bursary Funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LSA</td>
<td>8900</td>
<td>-</td>
<td>-</td>
<td>8900</td>
<td>500</td>
</tr>
<tr>
<td>Philip and Davina Mallinckrodt</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5000</td>
</tr>
<tr>
<td>Garfield Weston</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>40000</td>
</tr>
<tr>
<td>Drake Trust</td>
<td>-1300</td>
<td>-</td>
<td>-</td>
<td>1300</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>8300</td>
<td>1300</td>
<td>-</td>
<td>10200</td>
<td>45500</td>
</tr>
</tbody>
</table>

2017 Comparative Totals | 288              | 45,212           | -           | 45500       |                |

Students who benefited from bursary awards during the accounting period:

- Students who benefited from bursary awards during the accounting period: 8, 1, 9, 17

Students who benefited from bursary awards during the accounting period in 2017:

- Students who benefited from bursary awards during the accounting period: 1, 16, 17
### 6. Staff costs

The average number of persons employed during the period and at 30 June 2019, was:

<table>
<thead>
<tr>
<th></th>
<th>18 months ended 30.6.2019</th>
<th>12 months ended 30.6.2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teaching staff (full-time equivalents)</td>
<td>0.34</td>
<td>0.27</td>
</tr>
<tr>
<td>Non-teaching staff (full-time equivalents)</td>
<td>182</td>
<td>133</td>
</tr>
<tr>
<td>Total staff (full-time equivalents)</td>
<td>216</td>
<td>150</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>18 months ended 30.6.2019</th>
<th>12 months ended 30.6.2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teaching staff (head count)</td>
<td>0.68</td>
<td>0.53</td>
</tr>
<tr>
<td>Non-teaching staff (head count)</td>
<td>333</td>
<td>245</td>
</tr>
<tr>
<td>Total staff (head count)</td>
<td>4.31</td>
<td>2.98</td>
</tr>
</tbody>
</table>

### Key management

<table>
<thead>
<tr>
<th>Description</th>
<th>Unrestricted Funds (£)</th>
<th>Restricted Funds (£)</th>
<th>Total Funds (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head of Institution wages and salaries</td>
<td>9,100</td>
<td>~</td>
<td>9,100</td>
</tr>
<tr>
<td>Head of Institution social security costs</td>
<td>8,922</td>
<td>~</td>
<td>8,922</td>
</tr>
<tr>
<td>Pension costs</td>
<td>1,233</td>
<td>~</td>
<td>1,233</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18,255</strong></td>
<td><strong>18,255</strong></td>
<td><strong>18,255</strong></td>
</tr>
</tbody>
</table>

**Other staff**

<table>
<thead>
<tr>
<th>Description</th>
<th>Unrestricted Funds (£)</th>
<th>Restricted Funds (£)</th>
<th>Total Funds (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>213,966</td>
<td>~</td>
<td>213,966</td>
</tr>
<tr>
<td>Social security costs</td>
<td>14,491</td>
<td>~</td>
<td>14,491</td>
</tr>
<tr>
<td>Pension costs</td>
<td>2440</td>
<td>~</td>
<td>2440</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>249,907</strong></td>
<td><strong>249,907</strong></td>
<td><strong>249,907</strong></td>
</tr>
</tbody>
</table>

*The Head of Institution remuneration is disclosed above.*

There were no further taxable or non-taxable benefits paid.

No other staff members were considered to be higher paid.

*The Trustees consider its key management personnel comprises the Head of Institution remunerated as above.*

### 7. Other operating costs

<table>
<thead>
<tr>
<th>Description</th>
<th>18 months ended 30.6.2019</th>
<th>12 months ended 30.6.2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teaching costs</td>
<td>172,481</td>
<td>202,133</td>
</tr>
<tr>
<td>Non teaching costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal fees</td>
<td>7,543</td>
<td>7,543</td>
</tr>
<tr>
<td>Consultancy fees</td>
<td>6,256</td>
<td>6,256</td>
</tr>
<tr>
<td>Auditors remuneration</td>
<td>9,000</td>
<td>9,000</td>
</tr>
<tr>
<td>Events</td>
<td>32,191</td>
<td>32,191</td>
</tr>
<tr>
<td>Accountancy</td>
<td>13,515</td>
<td>13,515</td>
</tr>
<tr>
<td>Marketing</td>
<td>24,232</td>
<td>24,232</td>
</tr>
<tr>
<td>Other</td>
<td>35,006</td>
<td>44,806</td>
</tr>
<tr>
<td><strong>Total non teaching costs</strong></td>
<td><strong>128,943</strong></td>
<td><strong>182,443</strong></td>
</tr>
<tr>
<td>Premises costs</td>
<td>136,882</td>
<td>~</td>
</tr>
<tr>
<td><strong>Total other operating costs</strong></td>
<td><strong>439,830</strong></td>
<td><strong>585,000</strong></td>
</tr>
</tbody>
</table>
### 8. Tangible fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Office equipment (£)</th>
<th>Leasehold improvements (£)</th>
<th>Total (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost: At 1 January 2018</td>
<td>6510</td>
<td>-</td>
<td>6510</td>
</tr>
<tr>
<td>Additions at 30 June 2019</td>
<td>3329</td>
<td>36048</td>
<td>41377</td>
</tr>
<tr>
<td></td>
<td>1838</td>
<td>36048</td>
<td>47886</td>
</tr>
<tr>
<td>Depreciation at 1 January 2018</td>
<td>4633</td>
<td>-</td>
<td>4633</td>
</tr>
<tr>
<td>Charge for the period at 30 June 2019</td>
<td>3462</td>
<td>6008</td>
<td>3470</td>
</tr>
<tr>
<td></td>
<td>8096</td>
<td>6008</td>
<td>14103</td>
</tr>
<tr>
<td>Net book value at 1 January 2018</td>
<td>1877</td>
<td>-</td>
<td>1877</td>
</tr>
<tr>
<td>Net book value at 30 June 2019</td>
<td>3744</td>
<td>30041</td>
<td>33785</td>
</tr>
</tbody>
</table>

### 9. Trade and other receivables

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts falling due within one year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>21008</td>
<td>51688</td>
</tr>
<tr>
<td>Other debtors</td>
<td>15304</td>
<td>155452</td>
</tr>
<tr>
<td></td>
<td>36312</td>
<td>167046</td>
</tr>
</tbody>
</table>

### 10. Creditors

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts falling due within one year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade creditors</td>
<td>66557</td>
<td>36772</td>
</tr>
<tr>
<td>Taxation and social security</td>
<td>4038</td>
<td>4050</td>
</tr>
<tr>
<td>Deferred income</td>
<td>46000</td>
<td>184000</td>
</tr>
<tr>
<td>Accruals</td>
<td>32301</td>
<td>32749</td>
</tr>
<tr>
<td>Other creditors</td>
<td>1173</td>
<td>2360</td>
</tr>
<tr>
<td></td>
<td>173768</td>
<td>265421</td>
</tr>
</tbody>
</table>

Deferred income b/fwd at 1 January 2017: 139000
Amounts released in the year: (139000)
New amounts deferred in the year: 46000
Deferred income c/fwd at 30 June 2019: 185000

Deferred income represents revenue collected but not earned as of 31 June 2019. This is primarily composed of income collected in advance of courses taking place.
11. Reconciliation of net income / (expenditure) to net cashflow from operating activities

<table>
<thead>
<tr>
<th></th>
<th>18 month to net cashflow from operating activities</th>
<th>12 month to net cashflow from operating activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30.6.2019(£)</td>
<td>31.12.2017(£)</td>
</tr>
<tr>
<td>Net income for the reporting period per the statement of financial activities</td>
<td>106,666</td>
<td>(31,059)</td>
</tr>
<tr>
<td>Adjustments Inc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation charges</td>
<td>970</td>
<td>2,170</td>
</tr>
<tr>
<td>(Increase)/(decrease) in debtors</td>
<td>30,644</td>
<td>(85,823)</td>
</tr>
<tr>
<td>(Increase)/(decrease) in creditors</td>
<td>763</td>
<td>74,086</td>
</tr>
<tr>
<td>Net cash used in operations</td>
<td>106,636</td>
<td>(80,620)</td>
</tr>
</tbody>
</table>

12. Income and expenditure account

<table>
<thead>
<tr>
<th></th>
<th>Income 1 Jan 2018</th>
<th>Expenditure 30 June 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Income Funds</td>
<td>110,289</td>
<td>(94,653)</td>
</tr>
<tr>
<td>Restricted Bursary Funds</td>
<td>–</td>
<td>217,445</td>
</tr>
<tr>
<td>Other Restricted Funds</td>
<td>–</td>
<td>(55,000)</td>
</tr>
<tr>
<td>Total Funds</td>
<td>110,289</td>
<td>(279,453)</td>
</tr>
</tbody>
</table>

Restricted Bursary funds are provided by donors for spending on student bursaries. Income was received from the Drake Trust and has been fully expended this year. Other Restricted funds include donations received for specific projects: exhibition at Piccadilly Gallery; received from Piccadilly magazine; received from Schröder Systems; teaching project received from Schröder Foundation. Funds were fully expended on the specified projects during the financial period.

13. Analysis of net assets between funds

<table>
<thead>
<tr>
<th></th>
<th>Fixed assets (£)</th>
<th>Net current assets (£)</th>
<th>30 June 2019 (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Income Funds</td>
<td>33,785</td>
<td>183,660</td>
<td>217,445</td>
</tr>
<tr>
<td>Total Funds</td>
<td>33,785</td>
<td>183,660</td>
<td>217,445</td>
</tr>
</tbody>
</table>

14. Post balance sheet events

There have been no significant post balance sheet events.

15. Commitments under operating leases

As at 30 June 2019, the Charity had commitments under non-cancelable operating leases as follows:

<table>
<thead>
<tr>
<th></th>
<th>30.6.2019(£)</th>
<th>31.12.2017(£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expiring within one year – Land and Buildings</td>
<td>83,004</td>
<td>245,222</td>
</tr>
<tr>
<td>Expiring within two to five years – Land and Buildings</td>
<td>83,002</td>
<td>245,222</td>
</tr>
</tbody>
</table>

16. Related party transactions

- Three trustees made unrestricted donations to the charity in the period with a total value of £4,000 (2017/18: £4,689). No amounts were outstanding on the balance sheet at 30 June 2019.
- A fee of £55 per person is charged for attendance at the annual graduation lunch. This fee was received from trustees in the period to 30 June 2019.