

Charity registration number 1172364

PESTALOZZI INTERNATIONAL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

PESTALOZZI INTERNATIONAL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr K Greatbatch	
	Ms C Stevens	
	Mr A Rizk	
	Mr A M Eckhoff	(Appointed 12 May 2025)
Charity number	1172364	
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PESTALOZZI INTERNATIONAL

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PESTALOZZI INTERNATIONAL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their annual report and financial statements for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Constitution, the Charities Act 2011 and "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 (FRS 102)" (effective 1 January 2019).

Objectives and activities

Our supporters recognise that children's potential is universal, but opportunities are not. In the regions of Zambia, India, and Nepal where we work, high school completion rates can be as low as 3%. Together, we aim to enhance the social mobility of disadvantaged children, enabling them to transition from limited opportunities to fulfilling lives of purpose and contribution.

Our programmes across Africa and Asia are designed to inspire future leaders, entrepreneurs and changemakers. Grounded in the Pestalozzi approach, we develop the Head, Hands, and Heart-cultivating knowledge, practical skills, and character. We believe that combining these qualities in young people with lived experience of poverty is essential to meeting the complex challenges of the developing world.

We recognise that poverty is not only material but also psychological - it limits confidence, ambition, and the belief that change is possible. At our core, we are Heart-led, and our success lies in nurturing determination, aspiration, and resilience, empowering young people to see themselves as capable of shaping their futures.

We deliver a child-centred education that honours local cultures while nurturing each young person's unique talents and passions. By encouraging creative and critical thinking, broadening horizons, and guiding informed life choices, we empower students to progress into tertiary education and meaningful employment.

The effects of our education reach far beyond individual students. By unlocking potential and fostering self-reliance, we help young people become compassionate, capable leaders who drive social and economic development within their communities and beyond.

Public benefit

The trustees have paid due regard to the guidance issued by the Charity Commission when deciding which activities the charity should undertake.

Future Leaders

Our flagship programme offers residential scholarships in India, Nepal, and Zambia to bright children aged 10–18 from the poorest rural backgrounds. It provides a holistic education that nurtures intellectual, emotional, and practical skills, preparing them to become leaders and changemakers within their communities.

Selected from disadvantaged rural areas, the children live in small family-style houses with a Houseparent who supports their material and emotional needs throughout their time on campus. We partner with like-minded schools in India and Nepal, while in Zambia we operate our own institution, the Pestalozzi Education Centre. Each campus has dedicated study spaces, including libraries and computer rooms, and offers a variety of skills-building and recreational activities when children are not at school.

Across our three campuses, twelve nationalities are represented, creating diverse and inclusive communities that foster cross-cultural understanding, tolerance, and cooperation. For every boy, two girls are selected, and roughly one-third of our scholars are refugees. Upon graduation, our students receive coaching to help them secure merit-based tertiary scholarships from external organisations.

All campuses are staffed entirely by local professionals, including trained counsellors, social workers, experienced teachers, and alumni. Their deep understanding of the children's cultural and social contexts is essential to providing sensitive care and achieving positive, lasting outcomes for our scholars.

PESTALOZZI INTERNATIONAL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

SkillsHub

Our Zambian vocational training centre equips teenagers and young adults from disadvantaged backgrounds - especially those not in school - with in-demand skills in digital technology, agriculture, and other trades ("Hands"). With a distinctive focus on Mindset and Life Skills ("Heart"), the programme prepares participants to thrive in the modern workforce, care for themselves, and contribute meaningfully to their local economies.

SkillsHub makes vocational training accessible to all by integrating remedial Foundation courses in numeracy and literacy ("Head"), delivered through tablet-based learning. These foundational modules ensure that every learner reaches the minimum proficiency needed to master a vocational skill. Each training session begins with a nutritious meal, enabling learners to focus fully and dedicate their time to learning.

Beyond technical knowledge, the programme fosters confidence, self-reliance, and employability - alongside an entrepreneurial spirit that ensures "when the learning stops, the earning starts." SkillsHub connects graduates with a network of employers offering apprenticeships, as well as microfinance providers and pathways to further education, helping them build sustainable livelihoods.

The programme serves young people aged 15–23 from the lowest wealth quintile, primarily those living in informal settlements around Lusaka. It also supports Pestalozzi's own Future Leaders, who study at the neighbouring Pestalozzi Education Centre.

Alumni Initiatives

Our Future Leaders alumni have founded or play significant management roles in over 50 NGOs. Pestalozzi International is proud to support the alumni's social impact missions with grants designed to help them scale up their work. All organisations supported fall within the charitable aims of our organisation.

Impact to Date

Pestalozzi International remains deeply grateful to our dedicated supporters, whose generosity makes our work and its impact possible.

Key achievements to date include:

- Over 2,700 children have graduated from our Future Leaders Programme, equipped with both a lived understanding of poverty and the skills, confidence, and character needed to drive progress in their communities.
- More than 1,800 girls have completed the programme, becoming powerful role models and advocates for girls' education.
- Over 70% of alumni actively give back to their communities, with more than half working in public service roles that improve lives and promote social progress.
- Alumni careers contribute to all 17 Sustainable Development Goals, with more than 90% of graduates remaining in their home countries to drive local change.
- Among those working abroad, many are contributing to global progress in fields such as cancer research and through international organisations like the World Bank.
- More than 33,000 children have benefited from Pestalozzi International's outreach programmes, extending our impact far beyond our campuses.

Achievements and performance

Significant activities and achievements against objectives

2024 Reach

A total of 2,012 children benefited from Pestalozzi International programmes in 2024 in India (106), Nepal (93), Thailand (100), Bosnia (3), UK (5) and Zambia (1,705).

Programme-wise, the breakdown includes Future Leaders (438), SkillsHub (140), Alumni Initiatives (726), Pestalozzi Education Centre school pupils (700), and United World Colleges Atlantic/Mostar scholars (8).

PESTALOZZI INTERNATIONAL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Merger with Pestalozzi International Foundation

Effective 13 September 2024, the Pestalozzi International Foundation (PIF) merged with the Pestalozzi World Children's Trust (PW). As part of the merger, PIF's assets were transferred to PW, and the unified organisation now operates under the name Pestalozzi International, supporting PW's existing programmes.

Founded in 1957, PIF operated the renowned Pestalozzi Children's Village in Sedlescombe, Sussex, until 2019. The Village provided scholarships for children from the Global South to study in the UK and later at United World Colleges across Europe and the UK. This programme was already in its final phase at the time of the merger and is scheduled to conclude in 2025.

The merger represents a strategic step to amplify our shared impact. By combining resources, expertise, and legacy, Pestalozzi International is now better positioned to deliver holistic education and vocational training to talented young people from the most disadvantaged backgrounds worldwide.

Pestalozzi International is now the only global NGO applying a modern interpretation of Pestalozzian principles in the Global South - approaches deeply rooted in local cultures and relevant to their societies. Together, we continue to honour the rich Swiss and UK Pestalozzian heritage while building a future-oriented model of education and empowerment.

The merger occurred during this financial year, and a restated comparative for 2023 has been prepared to reflect the combined financial activities of both organisations.

Future Leaders

Zambia (245 children)

Record-breaking exam results were achieved this year, with 84% of graduates already enrolled in tertiary education through highly competitive scholarships awarded by third parties. Scholarship destinations include the United States, South Africa, Kenya, Costa Rica, and the United Kingdom. The Pestalozzi Education Centre now serves more than 700 fee-paying students, generating a growing financial contribution that helps sustain our programmes in Zambia.

India (106 children)

A total of 106 children transitioned from the Pestalozzi Village to Cambrian Hall as boarders, supported by their existing continuity of care staff. Graduates from this year have gone on to pursue diverse fields of study, including Nursing, Special Needs Education, Hospitality, Dentistry, and Commerce. A three-week Winter Camp was also held, focusing on Pestalozzi Values and Leadership Development for all students.

Nepal (87 children)

In Nepal, the first cohort of students selected eight years ago achieved outstanding exam results and successfully transitioned to college life. The programme continues to strengthen, now managed by an almost entirely alumni-led team. This year, 28 new children were selected - more than double the number from previous years - reflecting the program's steady growth and success.

SkillsHub

The SkillsHub pilot was launched in late 2024 with an initial cohort of 140 young people. The SkillsHub is a multifunctional vocational training centre focused on equipping young people with practical skills in digital technology and agricultural science. It specifically targets NEET youth (Not in Education, Employment, or Training) from surrounding communities in Lusaka, Zambia, who are at high risk of unemployment and exclusion from formal economic opportunities.

In Zambia:

- 97% of children from the lowest wealth quintile do not complete secondary school.
- 74% never enter sustained, salaried employment.

Most formal vocational training programmes require secondary-level education, thereby excluding those who need them most.

PESTALOZZI INTERNATIONAL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

To address this gap, SkillsHub democratises access to vocational training by integrating remedial Foundation courses in literacy and numeracy ("Head"). These courses bring learners up to the minimum standard needed to acquire a skill and succeed in further training.

Beyond technical instruction, the programme nurtures confidence, self-reliance, employability, and entrepreneurship ("Heart"), ensuring that when the learning stops, earning starts. Training is tailored to in-demand sectors ("Hands"), enabling participants to build sustainable livelihoods quickly. SkillsHub also connects graduates to a network of employers, helping them secure meaningful work and long-term financial stability.

This diversification of programming in Zambia marks an exciting milestone for Pestalozzi International, as we expand our focus on driving greater economic and social impact. We were delighted to receive funding in early Summer 2024, which made this innovative project a reality.

Alumni Initiatives

In 2024, a total of 726 children gained access to transformative educational opportunities through direct support of Alumni Initiatives. These programmes, founded and led by Pestalozzi alumni, continue to embody our values and expand our global impact.

Key organisations supported in 2024 include:

- Thai Pestalozzi Foundation (TPF) – Founded by several alumni of the UK Village, TPF provides secondary and tertiary scholarships to more than 100 children each year. The foundation also runs summer camps that teach and reinforce Pestalozzi Values, nurturing holistic personal development.
- Samaanta Foundation (Nepal) – Established by alumna Jyoti Pandey, Samaanta promotes equality and empowerment by offering higher education and skills development opportunities to talented public school graduates from low-income backgrounds who are at risk of dropping out.
- Our Moon Education (Zambia) – Founded by alumnus Justin Mushitu, Our Moon supports school leavers from disadvantaged backgrounds to access university scholarships. Its programmes foster intellectual curiosity, compassion, and leadership, preparing students to become socially responsible changemakers.
- Chipembele Wildlife Education Trust (Zambia) – Alumna Thandiwe Mweeta developed the Aspiring Conservation Leader (ACL) Programme, which helps school leavers bridge the gap between education and employment in conservation careers. The ACL programme includes training sessions, a field-based camp, participation in ongoing Chipembele projects, work placements, and a career development trip to Lusaka.

Financial review

The merger between Pestalozzi World and the Pestalozzi International Foundation (PIF) took effect on 13 September 2024. As a result, Pestalozzi International's financial statements for 2024 present a consolidated position, with a restated 2023 comparative to reflect the activities of both organisations.

Pestalozzi International's income is derived primarily from private individuals, as well as Trusts and Foundations.

In 2024, total income was £1,567,496, a decrease from £2,844,500 in 2023. This variance is mainly attributable to the extraordinary transfer of reserves and additional funds raised from the Swiss Trust in 2023 and a loan due from Zambia. This extraordinary receipt was recorded as a "donation and gift" (see note 3 to the Financial Statements).

Swiss Trust contributions were £492,638 (2023: £2,200,677).

US Trust donations totalled £443,238 (2023: £324,336), with fluctuations reflecting the timing of fundraising activities, which were more concentrated in the latter part of the year.

Together, income from partner fundraising trusts accounted for 60% of total income in 2024 (2023: 79%).

Donations and legacies from UK trusts and individuals increased significantly to £599,458 (2023: £297,840), reflecting stronger fundraising performance and the receipt of legacy gifts in the UK market.

PESTALOZZI INTERNATIONAL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

A restricted fund of £8,500 was utilised during the financial year to support the new intake of students in Zambia.

Total expenditure on charitable activities for the year was £2,296,988 (2023: £2,107,034).

Scholarship costs rose slightly to £1,566,708 (2023: £1,491,369), primarily due to inflationary pressures, partially offset by the phasing out of PIF's UWC programme and reduced funding in India.

Monitoring and Evaluation costs decreased to £177,182 (2023: £192,748).

As a result, Direct Charitable Spend increased marginally to £1,743,890 (2023: £1,684,117).

Investment in staff capacity, along with merger-related expenses, led to higher support and fundraising costs of £553,098 (2023: £422,917). These extraordinary merger costs included legal and accountancy services, travel and meetings, IT system integration, office expansion, rebranding, and the launch of a new website.

As the 2024 accounts consolidate two organisations, reflecting only three months of merged operations, duplication of costs occurred (e.g., insurance, audit or examination fees, and IT subscriptions), which contributed to elevated support cost totals.

The financial outcome before gains and losses on investments and foreign exchange losses showed an in-year deficit of £729,492 (2023: surplus of £737,466).

After accounting for a loss on revaluation of investments of £2,137 (2023: £62,773) and foreign exchange losses of £21,751 (2023: £22,308), the overall deficit for the year, was £753,380, compared with a surplus of £652,385 in the previous year.

Going concern

The Trustees have considered the appropriateness of adopting the going concern basis in preparing the financial statements for the year ended 31 December 2024. This assessment has been made in accordance with the requirements of the Charities SORP (FRS 102).

Assessment Process

The Trustees, supported by senior management, have undertaken a comprehensive review of the charity's financial position, performance and cash flow forecasts for a period of at least twelve months from the date of approval of these financial statements. This assessment included a review of:

- Projected income and expenditure budgets for the next three financial years.
- Detailed cash flow forecasts prepared on a rolling 12-month basis.
- The current reserves position and liquidity of the charity.
- The robustness of internal financial controls and budgetary oversight procedures.

The risks and uncertainties likely to affect the charity's operations and their potential impact on future funding and delivery of charitable activities.

Reserves policy

The reserves policy is reviewed annually by the finance committee and approved by the Board of Trustees.

As of 31 December 2024, Pestalozzi International (PI) held total funds of £2,737,791 (2023: £3,491,171).

PI's policy is to maintain reserves equivalent to 12–18 months of operating costs. Current free reserves of £2,737,791 represent approximately 14.5 months of budgeted expenditure, aligning with this policy. Because income is typically back-loaded across the financial year, these reserves are essential for effective cash flow management. They also allow the Trustees discretion to approve capital expenditure grants when appropriate.

PESTALOZZI INTERNATIONAL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Each Future Leaders scholar represents a funding commitment of up to eight years, reflecting the long-term nature of our support. The Trustees recognise that these commitments are exposed to inflationary pressures, foreign exchange fluctuations, and potential shortfalls in future income. Accordingly, maintaining a prudent level of reserves is both necessary and justified - more so than for charities with shorter-term obligations.

Major risks

The Trustees have identified the principal risks and uncertainties to which the charity is exposed. These are regularly reviewed, and policies, systems and procedures have been established and implemented to mitigate or manage any potential impact on the charity should those risks materialise.

Given the context within which PI works, the principal risks for PI are:

Safeguarding: PI requires an absolute duty of care and accountability to children supported by Pestalozzi International programmes. PI's Safeguarding Policy and Code of Practice for working with children and young people sets out in detail how any Pestalozzi International representative, including staff, board members, volunteers, consultants, and partners, must conduct themselves in their interactions with children at all of the programmes we support.

Loss or Misappropriation of Charity Assets: Pestalozzi International's Policies and Procedures are reviewed annually and contain control procedures for approving financial transactions, purchasing processes, the requirement for an annual Audit, regular reporting against budgets, and quarterly reporting to the Board of Trustees across our funding and implemented partner organisations. Our staff undertake annual monitoring trips.

Lack of regular donations: A comprehensive fundraising plan is in place to meet our future costs. The charity maintains a reserves policy of between 12 and 18 months of operating costs, which are partially invested in UK and overseas investment portfolios, as well as foreign currency deposits and sterling on deposit. This will provide the charity with a steady income each year and ensure that funds are available to meet any direct charitable and management & administration expenses.

Foreign currency: The risks associated with holding a single dominant currency for a global charity are mitigated by holding deposits in gold and other major currencies.

Stability of the political environment: In 2024, the stability of the governments of Zambia, India and Nepal continued; however, the precedent of national turbulence in these countries means PI remains vigilant of this risk. The Board of Trustees noted the increasing difficulties that the Foreign Contributions Regulation Act in India presents for international NGOs and has decided not to fund Future Leaders in India from the UK moving forward. Instead, the value of the partner trust's land and assets will be realised to provide for the completion of the children's education at a dedicated Pestalozzi boarding house at Cambrian Hall School in Dehradun.

Plans for future periods

The charity's financial outlook for the period ahead is strong. Projections from our partner trusts are resilient, and significant legacy income is anticipated.

An extraordinary major fundraising event in November 2025 will be attended by 50 major international donors. Additional community and schools fundraising initiatives, together with a newly launched gifts-in-wills campaign, will further diversify and strengthen future income streams.

Prior to the merger, PIF had been incurring deficits on operating expenses; however, PI now carries no liabilities for PIF programmes in future periods, being able to direct the funding of their supporters only to PW's historic programming overseas.

Expenditure in 2025 is expected to remain stable, with inflationary pressures mitigated by increasing self-sufficiency at the Zambian School and the cessation of funding for the Indian programme. A surplus is projected in both 2025 and 2026.

PESTALOZZI INTERNATIONAL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

After reviewing forecasts, budgets, and cash flow projections, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future—that is, for at least 12 months from the date of approval of these financial statements. Accordingly, the Trustees consider that it remains appropriate to prepare the accounts on a going concern basis.

Structure, governance and management

On 13 September 2024, Pestalozzi International Foundation (Charity Number 1098422) merged with Pestalozzi World Children's Trust (Charity Number 1172364). Assets were transferred to Pestalozzi World, which was renamed Pestalozzi International on the same date.

The full name of the charity is Pestalozzi International, and it was registered with the Charity Commission on 31 March 2017. The charity was formed as a charitable incorporated organisation (CIO) and is governed by its founding constitution.

The charity previously operated under charity number 1046599 as an unincorporated trust, constituted under a trust deed dated 24 January 1995. Its activities and assets were transferred to the new CIO, effective 1 January 2018.

The Trustees confirm that they have complied with the duty in Section Four of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

The charity's governing instrument is the Constitution. The Board of Trustees is independent of the charity's membership. The Board of Trustees is responsible for managing the charity's finances in support of the objectives defined by the charity's Executive. There are a minimum of three and a maximum of twelve trustees.

Recruitment and appointment of trustees

If a vacancy arises, the trustees may appoint any eligible person as a trustee. When selecting individuals for appointment as trustees, the trustees will consider the skills, knowledge, and experience necessary for the effective operation of the charity.

Upon appointment, trustees are provided with an induction to the charity. This includes a briefing paper, as well as meetings with the Chair, CEO, and other stakeholders as deemed appropriate. Regard is given to the training and development needs of any trustees that may arise.

The Board of Trustees meets quarterly and is supported by key management personnel. Four meetings were held in 2024. The Trustees come from a range of professional backgrounds, and bring new skills and highly relevant experience.

Organisational structure

The Chief Executive is responsible for the day-to-day operation of the charity on behalf of the Board of Trustees. The remuneration of key management is reviewed annually by the Board and is set against established pay scales, benchmarked against similar-sized entities. The Trustees give their time freely, and no remuneration was paid in the year. Details of Trustee expenses are disclosed in note 8 to the accounts.

Key Management Personnel during the year were:

James Haughton (Chief Executive Officer)
Eddie West-Burnham (Chief Operating Officer)

PESTALOZZI INTERNATIONAL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees who served during the year and up to the date of signature of the financial statements were:

Mr K Greatbatch

Ms C Stevens

Mr A Rizk

Mr S Wakely

(Resigned 9 November 2024)

Mrs C Daggart

(Resigned 9 November 2024)

Mr F von Hurter

(Resigned 9 November 2024)

Mr A M Eckhoff

(Appointed 12 May 2025)

The trustees' report was approved by the Board of Trustees.

Kenneth Greatbatch

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Mr K Greatbatch

Trustee

31 October 2025

Date:

PESTALOZZI INTERNATIONAL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees 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).

The law applicable to charities in England and Wales requires 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 of the charity 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and 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 trust deed. 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.

PESTALOZZI INTERNATIONAL

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF PESTALOZZI INTERNATIONAL

Opinion

We have audited the financial statements of Pestalozzi International (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 charity's affairs as at 31 December 2024 and of its incoming resources and application of resources, 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 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

PESTALOZZI INTERNATIONAL

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF PESTALOZZI INTERNATIONAL

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees 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 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 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 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of noncompliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations, our procedures included the following:

- Obtaining an understanding of the legal and regulatory framework in which the charity operates, focusing on those laws and regulations that had a direct effect on the financial statements and operations;
- Obtaining an understanding of the charity's policies and procedures on fraud risks, including knowledge of any actual, suspected or alleged fraud; and
- Discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud through our knowledge and understanding of the charity and our sector specific experience.

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud. We are also required to perform specific procedures to respond to the risk of management override. As a result of performing the above, we identified the following areas as those most likely to have an impact on the financial statements: compliance with the Charities Act 2011 and the Charities SORP (FRS102).

In addition to the above, our procedures to respond to risks identified included the following:

- Making enquiries of management, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of the board and senior management; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Due to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed noncompliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

PESTALOZZI INTERNATIONAL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF PESTALOZZI INTERNATIONAL

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.

Kristina Perry

Kristina Perry FCCA (Senior Statutory Auditor)
for and on behalf of Sumer Audit
Chartered Accountants
Statutory Auditor
Worthing

31 October 2025

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Sumer Audit is the trading name of Sumer Auditco Limited

PESTALOZZI INTERNATIONAL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes						
Income and endowments from:							
Donations and legacies	3	1,526,834	8,500	1,535,334	2,790,353	32,500	2,822,853
Other trading activities	4	1,500	-	1,500	6,275	-	6,275
Investments	5	30,662	-	30,662	15,056	-	15,056
Other income		-	-	-	316	-	316
Total income		1,558,996	8,500	1,567,496	2,812,000	32,500	2,844,500
Charitable activities	6	2,288,488	8,500	2,296,988	2,059,534	47,500	2,107,034
Net losses on investments	12	(2,137)	-	(2,137)	(62,773)	-	(62,773)
Net income/(expenditure)		(731,629)	-	(731,629)	689,693	(15,000)	674,693
Other recognised gains and losses:							
Other losses	10	(21,751)	-	(21,751)	(22,308)	-	(22,308)
Net movement in funds		(753,380)	-	(753,380)	667,385	(15,000)	652,385
Reconciliation of funds:							
Fund balances at 1 January 2024		3,491,171	-	3,491,171	2,823,786	15,000	2,838,786
Fund balances at 31 December 2024		2,737,791	-	2,737,791	3,491,171	-	3,491,171

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

PESTALOZZI INTERNATIONAL

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	11		2,889		1,038
Investments	12		500,064		373,175
			<u>502,953</u>		<u>374,213</u>
Current assets					
Debtors	13	646,825		1,502,913	
Investments	14	1,075,842		-	
Cash at bank and in hand		580,661		1,647,655	
		<u>2,303,328</u>		<u>3,150,568</u>	
Creditors: amounts falling due within one year	15	68,490		33,610	
		<u>68,490</u>		<u>33,610</u>	
Net current assets			2,234,838		3,116,958
Total assets less current liabilities			<u>2,737,791</u>		<u>3,491,171</u>
The funds of the charity					
Unrestricted funds			2,737,791		3,491,171
			<u>2,737,791</u>		<u>3,491,171</u>

The financial statements were approved by the trustees on 31 October 2025

Kenneth Greatbatch

Mr K Greatbatch

Trustee

PESTALOZZI INTERNATIONAL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	21		109,492		(662,470)
Investing activities					
Purchase of tangible fixed assets		(2,280)		(1,099)	
Purchase of investments		-		(219,435)	
Proceeds from disposal of investments		163,435		1,042,035	
Investment income received		30,662		15,056	
Net cash generated from investing activities			191,817		836,557
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			301,309		174,087
Cash and cash equivalents at beginning of year			1,855,258		1,681,171
Cash and cash equivalents at end of year			2,156,567		1,855,258
Relating to:					
Cash at bank and in hand			580,661		1,647,655
Deposits included in fixed and current asset investments			1,575,906		207,603

PESTALOZZI INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

Pestalozzi International is a charity registered with the Charity Commission.

The registered office is: F8 Worth Corner Business Centre, Turners Hill Road, Pound Hill, West Sussex RH10 7SL.

1.1 Accounting convention

The financial statements have been prepared in accordance with 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 (FRS 102-effective 1 January 2019). Pestalozzi International constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

On 13 September 2024, a merger occurred between Pestalozzi World Children's Trust (charity number 1172364) and Pestalozzi International Foundation (charity number 1046599), with a name change for the combined entity to Pestalozzi International. The financial statements have been prepared in accordance with merger accounting rules, with the assets, liabilities and funds of the combining charities aggregated for the year to 31 December 2024 and for the comparative period.

1.2 Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. On the basis of these projections the trustees are confident that the charity will have sufficient funds to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on the going concern basis.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Donated assets are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit by the charity of the item is probable, and that economic benefit can be measured reliably. The value of donated assets provided to the charity are recognised at fair value.

PESTALOZZI INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.5 Expenditure

All expenditure is accounted for on an accruals basis, and where incurred directly to further the Trust's charitable objects, is shown under the headings of Scholarship Costs and Monitoring and Evaluation.

Certain expenditure is directly attributable to specific activities and has been allocated to those cost categories. Where the costs are attributable to more than one activity they have been apportioned to the other activity based on the time spent on those activities.

Expenditure on raising funds are those costs, including staff costs, relating to fundraising activities and management fees of its investments.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	Straight line basis over 3 years
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

PESTALOZZI INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

PESTALOZZI INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

3 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	1,059,902	8,500	1,068,402	2,661,079	32,500	2,693,579
Legacies receivable	466,932	-	466,932	129,274	-	129,274
	<u>1,526,834</u>	<u>8,500</u>	<u>1,535,334</u>	<u>2,790,353</u>	<u>32,500</u>	<u>2,822,853</u>
Donations and gifts						
UK Trust donations	124,026	8,500	132,526	136,066	32,500	168,566
US Trust donations	443,238	-	443,238	324,336	-	324,336
CH Trust donations	492,638	-	492,638	1,581,949	-	1,581,949
Donated assets	-	-	-	618,728	-	618,728
	<u>1,059,902</u>	<u>8,500</u>	<u>1,068,402</u>	<u>2,661,079</u>	<u>32,500</u>	<u>2,693,579</u>

Included within donated assets in the comparative period is £618,728 relating to a transfer of ownership of a loan on 31 December 2023, of which the charity will receive future repayment. The value of the asset was recognised within incoming resources as a donation, and an equivalent balance included within other debtors. No such donations have been received during the year ended 31 December 2024.

4 Income from other trading activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Fundraising events	<u>1,500</u>	<u>6,275</u>

5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from listed investments	-	1,644
Interest receivable	<u>30,662</u>	<u>13,412</u>
	<u>30,662</u>	<u>15,056</u>

PESTALOZZI INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

6 Expenditure on charitable activities

	Scholarship costs	Monitoring & evaluation	Management & admin	Raising funds	Total
	2024	2024	2024	2024	2024
	£	£	£	£	£
Direct costs					
Staff costs	-	152,152	112,523	169,871	434,546
Zambia Projects	933,237	-	-	-	933,237
India Future leaders	133,976	-	-	-	133,976
Nepal Future leaders	198,607	-	-	-	198,607
Alumni Initiatives	90,192	-	-	-	90,192
Travel	1,162	19,965	16,087	3,900	41,114
Office	7,981	316	84,822	1,269	94,388
IT/Website/Other	4,116	4,749	31,456	11,455	51,776
Audit/accountancy fee	-	-	14,434	-	14,434
Outreach programmes	197,437	-	-	-	197,437
Marketing/fundraising	-	-	361	19,544	19,905
Consultant fees	-	-	-	880	880
	<u>1,566,708</u>	<u>177,182</u>	<u>259,683</u>	<u>206,919</u>	<u>2,210,492</u>
Grant funding of activities	-	-	86,496	-	86,496
	<u>1,566,708</u>	<u>177,182</u>	<u>346,179</u>	<u>206,919</u>	<u>2,296,988</u>
Analysis by fund					
Unrestricted funds	1,558,208	177,182	346,179	206,919	2,288,488
Restricted funds	8,500	-	-	-	8,500
	<u>1,566,708</u>	<u>177,182</u>	<u>346,179</u>	<u>206,919</u>	<u>2,296,988</u>

Expenditure included under 'Management & admin' above meets the definition of support costs as defined in the Charities SORP. Included within this expenditure are governance costs totalling £23,721 (2023 - £20,050), including audit fees of £11,760 (2023 - £9,600).

Grant funding amounting to £86,496 (2023 - £Nil) was provided to Pestalozzi Overseas Children's Foundation.

PESTALOZZI INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

6 Expenditure on charitable activities

(Continued)

Previous year:	Scholarship costs	Monitoring & evaluation	Management & admin	Raising funds	Total
	2023	2023	2023	2023	2023
	£	£	£	£	£
Direct costs					
Staff costs	-	176,060	96,351	142,537	414,948
Zambia Projects	657,182	-	-	-	657,182
India Future leaders	186,859	-	-	-	186,859
Nepal Future leaders	123,164	-	-	-	123,164
Travel	-	15,238	6,728	3,815	25,781
Office	-	1,450	69,860	6,259	77,569
IT/Website/Other	-	-	31,384	-	31,384
Audit/accountancy fee	-	-	11,880	-	11,880
Investment management	-	-	-	1,694	1,694
Outreach programmes	524,164	-	-	-	524,164
Marketing/fundraising	-	-	-	19,583	19,583
Consultant fees	-	-	-	32,826	32,826
	<u>1,491,369</u>	<u>192,748</u>	<u>216,203</u>	<u>206,714</u>	<u>2,107,034</u>
Analysis by fund					
Unrestricted funds	1,443,869	192,748	216,203	206,714	2,059,534
Restricted funds	47,500	-	-	-	47,500
	<u>1,491,369</u>	<u>192,748</u>	<u>216,203</u>	<u>206,714</u>	<u>2,107,034</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

8 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
	11	10
	<u>11</u>	<u>10</u>
Employment costs	2024 £	2023 £
Wages and salaries	382,797	368,764
Social security costs	31,620	28,781
Other pension costs	20,129	17,403
	<u>434,546</u>	<u>414,948</u>

PESTALOZZI INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

8 Employees

(Continued)

During the year amounts of £129,601 (2023 - £119,608) were paid to individuals recognised as key management personnel by the board of trustees.

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
£70,001 to £80,000	1	1

9 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

10 Other gains and losses

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Gains/(losses) upon:		
Foreign exchange	(21,751)	(22,308)

11 Tangible fixed assets

	Computers £
Cost	
At 1 January 2024	1,099
Additions	2,280
At 31 December 2024	3,379
Depreciation and impairment	
At 1 January 2024	61
Depreciation charged in the year	429
At 31 December 2024	490
Carrying amount	
At 31 December 2024	2,889
At 31 December 2023	1,038

PESTALOZZI INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

12 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 January 2024	165,572	207,603	373,175
Additions	-	1,403,959	1,403,959
Valuation changes	(2,137)	-	(2,137)
Foreign exchange gains/(losses)	-	(44,644)	(44,644)
Transfers	(163,435)	163,435	-
Disposals	-	(1,230,289)	(1,230,289)
At 31 December 2024	-	500,064	500,064
Carrying amount			
At 31 December 2024	-	500,064	500,064
At 31 December 2023	165,572	207,603	373,175

13 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Other debtors	628,526	683,866
Prepayments and accrued income	18,299	819,047
	646,825	1,502,913

14 Current asset investments

	2024 £	2023 £
Cash deposit	1,075,842	-

15 Creditors: amounts falling due within one year

	2024 £	2023 £
Other taxation and social security	-	10,834
Trade creditors	-	1,862
Accruals and deferred income	68,490	20,914
	68,490	33,610

PESTALOZZI INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

16 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2024	Incoming resources	Resources expended	At 31 December 2024
	£	£	£	£
Chalk Cliff Foundation	-	5,000	(5,000)	-
The Souter Charitable Trust	-	2,000	(2,000)	-
Clive Richards Foundation	-	1,500	(1,500)	-
	-	8,500	(8,500)	-

Previous year:

	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
The Reed Foundation	15,000	-	(15,000)	-
Chalk Cliff Foundation	-	5,000	(5,000)	-
St James Foundation	-	2,500	(2,500)	-
The Coles Medlock Trust	-	10,000	(10,000)	-
Charities Trust	-	15,000	(15,000)	-
	15,000	32,500	(47,500)	-

17 Unrestricted funds

The unrestricted funds of the charity comprise of unexpended balances of income that are not subject to specific conditions by donors and grantors as to how they may be used.

	At 1 January 2024	Incoming resources	Resources expended	Gains and losses	At 31 December 2024
	£	£	£	£	£
General funds	3,491,171	1,558,996	(2,288,488)	(23,888)	2,737,791

Previous year:	At 1 January 2023	Incoming resources	Resources expended	Gains and losses	At 31 December 2023
	£	£	£	£	£
General funds	2,823,786	2,812,000	(2,059,534)	(85,081)	3,491,171

PESTALOZZI INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

18 Financial commitments, guarantees and contingent liabilities

Contingent assets

During the year, the charity received an interim distribution from a legacy of which it is a residuary beneficiary. A final distribution is expected in relation to this legacy, however the amount to be received is contingent on the sale of a property. No further income has been accrued in relation to this legacy as at the reporting date, on the basis that it has not been possible to reliably measure the amount of income receivable.

19 Events after the reporting date

Since the reporting date, the charity has received income amounting to £1,049,000 relating to legacies of which the charity was notified prior to the year-end. No accrual was made for this income in the financial statements on the basis that, as at the reporting date, it was not possible to reliably measure the amount of income receivable from these legacies, and therefore the criteria for recognition of the income were not met.

Since the reporting date, the charity has issued a further loan to Pestalozzi Zambia Children's Trust of £512,889.

20 Related party transactions

The charity receives donations from two fundraising trusts, based in the USA (Pestalozzi US Children's Charity Inc.) and in Switzerland (Pestalozzi Overseas Children's Foundation). These organisations operate as separate legal entities, but share common policies on philosophy and purpose, and are considered to be part of the same "family" of not-for-profit organisations.

During the year, donations of £443,238 (2023 - £324,336) were received from Pestalozzi US Children's Charity Inc. (PUSCCI). These donations were made from the proceeds of US fundraising events and individual donations. PUSCCI is a US-registered not-for-profit foundation, founded in 1998 in order to raise funds for Pestalozzi International by providing US donors with tax-deductibility. Sir Richard Butler, founder of Pestalozzi International, is a director of the US Charity.

During the year, donations of £492,638 (2023 - £2,200,676) were received from Pestalozzi Overseas Children's Foundation (POCF) in Switzerland. During the year, grants of £86,496 (2023 - £Nil) were provided to POCF to cover administrative expenses.

The charity also provides funds to four implementing trusts, based in Zambia (Pestalozzi Zambia Children's Trust), India (Pestalozzi Children's Village Society), Nepal (Nepal Pestalozzi Foundation) and Thailand (Thai Pestalozzi Foundation). As for the fundraising trusts above, these organisations operate as separate legal entities but share common policies on philosophy and purpose, and are considered to be part of the same "family" of not-for-profit organisations.

In the comparative period, an interest-free unsecured loan of £618,727 to Pestalozzi Zambia Children's Trust (PZCT) was transferred from the original lender, POCF, to Pestalozzi International. This was included within income from donations in kind in the comparative period. At the reporting date, the balance receivable on this loan was £618,727 (2023 - £618,727), included within other debtors. During the year, donations were made to PZCT of £993,238 (2023 - £625,181).

During the year, donations were made to Pestalozzi Children's Village Society (PCVS) of £133,976 (2023 - £134,042).

During the year, donations were made to Nepal Pestalozzi Foundation (NPF) of £125,805 (2023 - £114,467).

During the year, donations were made to Thai Pestalozzi Foundation (TPF) of £32,096 (2023 - £32,318).

PESTALOZZI INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

21	Cash generated from operations	2024 £	2023 £
	(Deficit)/surplus for the year	(731,629)	674,693
	Adjustments for:		
	Investment income recognised in statement of financial activities	(30,662)	(15,056)
	Foreign exchange differences	(21,751)	(22,308)
	Fair value gains and losses on investments	2,137	62,773
	Depreciation and impairment of tangible fixed assets	429	61
	Movements in working capital:		
	Decrease/(increase) in debtors	856,088	(1,262,858)
	Increase/(decrease) in creditors	34,880	(99,775)
	Cash generated from/(absorbed by) operations	109,492	(662,470)
22	Analysis of changes in net funds		

The charity had no debt during the year.

PESTALOZZI INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

23 Results and fund analysis of merged charities

Analysis of principal SoFA components for the current reporting period - year to 31 December 2024

	Pestalozzi World Children's Trust (pre- merger)	Pestalozzi International Foundation (pre-merger)	Pestalozzi International (post-merger)	Combined total
	£	£	£	£
Total income	596,511	101,022	869,963	1,567,496
Total expenditure	(1,347,748)	(222,020)	(727,220)	(2,296,988)
Net gains/(losses) on investments	-	-	(2,137)	(2,137)
Net income/(expenditure)	(751,237)	(120,998)	140,606	(731,629)
Other gains/(losses)	-	-	(21,751)	(21,751)
Net movement in funds	(751,237)	(120,998)	118,855	(753,380)

Analysis of principal SoFA components for the previous reporting period - year to 31 December 2023

	Pestalozzi World Children's Trust (pre- merger)	Pestalozzi International Foundation (pre-merger)	Combined total
	£	£	£
Total income	2,621,160	223,340	2,844,500
Total expenditure	(1,646,733)	(460,301)	(2,107,034)
Net gains/(losses) on investments	(62,773)	-	(62,773)
Net income/(expenditure)	911,654	(236,961)	674,693
Other gains/(losses)	(22,308)	-	(22,308)
Net movement in funds	889,346	(236,961)	652,385
Total funds brought forward	1,453,468	1,385,318	2,838,786
Total funds carried forward	2,342,814	1,148,357	3,491,171

Analysis of net assets at the date of the merger - 13 September 2024

	Pestalozzi World Children's Trust	Pestalozzi International Foundation	Combined total
	£	£	£
Net assets	1,603,918	1,027,359	2,631,277
Represented by:			
Unrestricted funds	1,596,918	1,027,359	2,624,277
Restricted income funds	7,000	-	7,000
Endowment funds	-	-	-
Total funds	1,603,918	1,027,359	2,631,277