

INTERNATIONAL HOUSE TRUST LIMITED

England & Wales · Charity number 270860

Details

Other names ENGLISH LANGUAGE SERVICES INTERNATIONAL LIMITED,
INTERNATIONAL HOUSE

Status Registered

Legal form Charitable company

Company number [01239120](#)

Registered 1976-03-12

Register [View on the Charity Commission register](#)

Contact

Address International House London
Haycraft House
16 Stukeley Street
London
WC2B 5LQ

Phone 020 7611 2400

Email finance@ihlondon.com

Website www.ihlondon.com

Activities

Objects: THE FOUNDATION'S OBJECTS ARE THE ADVANCEMENT OF EDUCATION FOR THE PUBLIC BENEFIT BY PROMOTING AND PROVIDING FOR:3.1 THE TEACHING AND TESTING OF FOREIGN LANGUAGES, CULTURAL AWARENESS AND ASSOCIATED SKILLS, INCLUDING THE TEACHING OF ENGLISH AS A FOREIGN LANGUAGE AND TEACHING ABOUT ENGLISH CULTURE, TO MEN, WOMEN AND CHILDREN OF ANY NATIONALITY;3.2 THE TRAINING OF MEN AND WOMEN OF ANY NATIONALITY IN THE TEACHING OF FOREIGN LANGUAGES, INCLUDING THE TEACHING OF ENGLISH AS A FOREIGN LANGUAGE; AND3.3 THE PROFESSIONAL DEVELOPMENT OF LANGUAGE TEACHERS SO AS TO RAISE LANGUAGE TEACHING STANDARDS WORLDWIDE.

Activities: The Charity exists for the advancement of the education of the public in languages. Its object are realised principally through International House London, an internationally reputed language school. Its main activities are the teaching of English and the teaching of other Modern Languages and the training of language teachers.

Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People, The General Public/mankind

Geography

- **Area of benefit:** NATIONAL AND OVERSEAS
- Cambridgeshire
- Camden

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£17,593,460	£17,512,459	£8,192,457	445
2023-12-31	£17,019,593	£16,065,445	£8,111,456	387
2022-12-31	£13,158,059	£12,855,095	£7,157,308	349
2021-12-31	£8,900,554	£10,322,071	£6,854,344	340
2020-12-31	£9,119,771	£11,018,529	£8,275,862	399

Trustees

Name	Role	Appointed
Phillip Mark Huggon	Chair	2020-08-03
Christian Staral		2025-05-12
Christopher Graham		2026-02-09
Gareth Hughes		2021-11-15
Isabel DiVanna		2022-11-15
Maria Isabella la Forgia		2025-05-12
Samantha Louise Grainger		2022-11-15
Tomasz Adam Mazgaj		2019-06-03
Vincenzo Raimo		2022-11-15

INTERNATIONAL HOUSE TRUST LIMITED

England & Wales - Charity number 270860

Accounts



**International
House**
London

Trustees' Report and Financial Statements

31 December 2024

International House Trust Limited

A company limited by guarantee (01239120)

Registered Charity (270860)



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Reference information

Board of Trustees

Phil Huggon – Chair
Isabel Di Vanna – Vice Chair
Gareth Hughes
Maxwell Nye
Tomasz Mazgaj
Samantha Grainger
Vicenzo Raimo
Rosalind Richards OBE (appointed 19 September 2024)
Arif Mansoor (resigned 15 April 2025)
Julie Wallis (resigned 31 December 2024)
Roy Cross (resigned 31 December 2024)

Senior Leadership Team

Mark Rendell (Chief Executive Officer)
Arif Kaji (Director of Finance and Company Secretary)
Lawrence Jackson (Director of Sales and Marketing)
Caroline Turner (Director of Operations)
Jason White (Director of Examinations)
Manuel Benchetrit (Director of Young Learner)

Registered office

16 Stukeley Street, Covent Garden London, WC2B 5LQ

Website

www.ihlondon.com

Company registration number

01239120, incorporated on 2 January 1976 (England and Wales)

Charity registration number

270860

VAT registration

GB 1061 801 56

Auditors

HaysMac LLP, 10 Queen Street Place, London EC4R 1AG

Bankers

Lloyds Bank, 39 Threadneedle Street, London, EC2R 8AU
The Charity Bank, Fosse House, 182 High Street, Tonbridge TN9 1BE
World First UK Ltd, 21-24 Millbank, London SW1P 4QP
Barclays Bank PLC, 1 Churchill Place, Leicester, LE87 2BB

Solicitors

Russell-Cooke, 2 Putney Hill, London SW15 6AB

Chair's Report



International House Trust Limited (trading as “International House London, “IH London”) on the backdrop of challenging economic and trading conditions, delivered encouraging trading results in 2024. From the end of Q4 2023, the ELT (English Language Teaching) sector in general experienced an unexpected gradual then a significant fall in student numbers, with the downturn continuing into 2025. During 2024, IH London relative to the ELT sector, fared either slightly better or no worse.

IH London operates in the ETO (Educational Tourist Operator) space, meaning tourism has a huge influence on trading. The pent-up demand experienced from 2022 and especially in 2023 post lifting of Covid-19 travel restrictions, was unpredictably short lived. The economic sanctions levied on Russia due to the war with Ukraine has had a significant impact on trading at IH London where Russian students was once a good source of income. Likewise, volumes from China did not come through as previously anticipated where the runway now appears to be longer. In addition, the devaluation of the Japanese Yen was untimely.

Whilst UK inflation has fallen from double-digit peak in 2024, it continues to fluctuate above the Bank of England's target of 2%. The subsequent reductions in Bank Base Rates have been a welcome relief for both businesses and borrowers alike; however, further reductions are now likely to be prolonged and gradual. Uncertainty in the energy supply chain will continue to affect inflation and the cost of living, especially in London. Given IH London's dependence on tourism, the strength of the Pound during 2024 against most major currencies made the UK relatively more expensive than other international destinations.

On the backdrop of uncertain, unpredictable, and uncontrollable macro-economic factors, IH London's trading performance has been encouraging. This has been possible through effective management of stakeholder relationships and management of costs. In addition, IH London takes pride in the continued quality of its products, supplied through its network of established relationships, and a school that continues to provide excellent facilities to its students. IH London's diverse portfolio of products helps the organisation to cushion dilution in specific products. IH London's Exam centre generated strong growth in 2024 and has continued its momentum into 2025, achieved through both organic and acquisitive growth across the UK. Our Covent Garden school is now the *only* designated Cambridge Platinum Exam Centre in the UK.

IH London generated trading revenues of £17.4M (2023: £16.8M), an increase of £0.6M (3.6%) compared to 2023. IH London generated a very modest surplus of £81K during 2024. Whilst the surplus is not an improvement on the surplus of £0.95M generated in 2023, increased cost pressures in 2024, combined with increasing and severe competitive pressures within the UK and wider ELT sector, IH London avoided registering a deficit.

During 2024, IH London purchased the annexed building (ground and lower ground floors) previously occupied under a long-term lease, at 16.5 Stukeley Street. This is an important strategic initiative that

Chair's Report

will help IH London to deliver long-term growth and provide certainty of capacity. The purchase was funded through a combination of own reserves and a new facility from Charity Bank. IH London took the opportunity to refinance its current Coronavirus Business Interruption Loan Scheme (CBILS) and working capital loans with Lloyds Bank PLC to Charity Bank on more favorable terms. This is a strong endorsement of confidence instilled by Charity Bank in the operating capability and financial stability of IH London's current and future prospects.

The total outstanding loans at the end of December 2024 stood at £4.5M (2023: £2.8M).

It has been an unexpected and unpredictable challenging trading year. However, IH London in the face of multiple and mostly uncontrollable headwinds, has and continues to face those challenges in the best possible shape; utilising its strong brand, with a strong infrastructure based on talent, knowledge, and skills to navigate through those challenges.

I would like to extend my gratitude to our Board for their continued invaluable support. They undertake their governance responsibilities on a voluntary basis. Their experience, advice and vision has as always served me and IH London well and is much appreciated. I would also like to extend my thanks to Mark Rendell, our Chief Executive Officer, the Senior Leadership Team, and all members of staff across IH London for their hard work, commitment, and continued loyalty.

On behalf of the current and past Board of Trustees, Senior Leadership Team, and members of staff, I would like to pay tribute to Brita Haycraft, the joint founding member of International House who sadly peacefully passed away on 28 December 2024.

Brita was a distinguished academic and a talented linguist, fluent in several Germanic and Romance languages. She earned first-class honours in French and English at Uppsala University, excelling in grammar, literature, and phonetics. Brita's passion for language education was particularly evident in her dedication to teaching pronunciation. She served as the Head of Speech Training at IH London for many years and authored several influential books.

Brita (and her late husband John) revolutionised language teaching by emphasising the communicative method, an approach that encourages students to use new language interactively in real-life situations. This innovation, rooted in their own experiences as language learners, remains at the core of International House's ethos.

Brita's visionary work and leadership has left an extraordinary legacy, that has benefited many and will continue to benefit many more.

P. Huggon

Philip Huggon

Chair of the Board of Trustees

Date: 27/06/2025

CEO Report



International House London has come through 2024 in a strengthened position following the completion of the purchase of the remaining section of the Stukeley Street building that had been leased. The purchase not only gives the organization security and a stronger asset base but offers potential development opportunities in the years ahead.

The trading position in 2024 was challenging especially towards the end of the year and according to English UK QUIC data the ELT industry remains 28% short in student weeks compared to the pre-pandemic period. Key contributing factors include the high cost of living and the strength of the pound (difficult for export businesses), instability in international student mobility, the loss of freedom of movement and ongoing geopolitical tensions.

As a result of the above we are observing significant discounting by domestic competitors in some markets, reduced lengths of stay from students, higher visa refusal rates and there has also been an increase in lower cost regional hubs and a leaning towards domestic supply especially in China.

We are also continuing to assess the potential threat as well as opportunities from AI and technology. Use of translation software as a real time communication aid is likely to become more prevalent as well as the ability for language testing to be delivered at home.

Despite the above challenges, IH London continues to evolve with optimism with a focus firmly on the future. This means adopting more agile and flexible approaches as well as leveraging the benefits of technology in terms of reach and efficiency. We are augmenting our core language products with cultural enrichment experiences that stimulate effective communication techniques and strategies that transcend language.

We are confident that our commitment to quality and our collective expertise contributes to giving our customers the best possible educational outcomes and IH London continues to represent a tremendous value proposition.

IH London is the only centre in the UK to be recognized with the prestigious Platinum Status by University of Cambridge Press and Assessment and we continue to be the trusted partner for over 25,000 test takers every year with many taking life changing high stakes exams that open immigration, career, and education pathway opportunities.

Our teacher training services are highly respected in the ELT industry, and we are delighted that we have been able to offer free access to all language teachers from anywhere in the world to enjoy our Teacher Portal. The Portal is an online community with live webinars, teaching videos, resources and a wide range of quality courses. We also host the Future of Training conference, and our well-respected trainers frequently share their expertise and openness to collaboration at a wide variety of international conferences and events.

Our network of young learner centres that operate in the summer for children as young as 8 years of age were inspected by the British Council and achieved 12 strengths. This is one of the strongest

International House Trust Limited

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Company No. 01239120



CEO Report

performances in the sector and we were particularly pleased to receive a strength for teaching which is testament to our consistently high academic standards delivered across a multi-site operation.

Modern language provision for local people and online courses continue to benefit from strong interest, especially as more Londoners return to the office. Because we attract students from all over the world in addition to local people, we have been able to offer unique language mixer social events that truly enrich our in-person language and cultural exchanges.

We are also much easier to work with following the launch of our innovative online resource hub for our international partners who now have direct access to all our materials and programme details whenever at the tip of their fingers.

We have incredible practitioners and a reputation for trust and reliability across the sector, our premises are first class, and we belong to a dynamic and growing international network of International House schools which operate in over 45 countries.

Further grounds for optimism are on the horizon. The government is developing a new international education strategy which could provide sustained and coherent support and messaging for the sector, the war in Ukraine may find a resolution which could reduce energy prices and there are strong hopes for an expansion of the youth mobility scheme particularly in Europe.

I'd like to take this opportunity to thank my tireless and capable management team and all our employees for their professionalism, enthusiasm and dedication. Thank you to Phil and the trustees for generously giving their time and for their diligent oversight, strategic guidance and support.

There has never been a stronger need for an International House London. We will continue to work hard to increase the uniqueness and value of our programmes and provide authentic human experiences and connections in a world that seems to be ever more polarized and fractious.

A handwritten signature in dark ink, appearing to read 'Mark Rendell', with a long horizontal flourish extending to the right.

Mark Rendell
Chief Executive Officer

Date: **30/06/2025**

Trustees' Report

Introduction

International House (IH) was founded in 1953 in Cordoba, Spain by John and Brita Haycraft and is now one of the world's largest and best-known groups of language schools. IH schools teach over 200,000 students every year and employ over 5,800 teachers.

The London school opened in 1957 in Covent Garden and became an Educational Trust in 1974. International House London (or IH London) is the trading name for International House Trust Limited. IH London holds a 50% share of the London based International House World Organisation (IHWO) which is the body that was established to oversee the network of globally affiliated language schools located in over 45 countries spanning every continent and to manage the IH brand.

Founders, John, and Brita had the goal of using language learning as a tool to help bring the world back together following the ravages of the Second World War. They were also committed to raising the standards of English language teaching and training worldwide and created the forerunner of the industry leading CELTA teacher training qualification.

Schools across the network teach English, Spanish, German, French, Japanese, Arabic, and a wide variety of other languages to adults and young learners. Across the network, IH schools train about half of all CELTA graduates in the world. IH London also specialises in the delivery of examinations including IELTS.

Our Areas of Expertise

International House London based in the vibrant central London area of Covent Garden is a world leader in language teaching, training, and testing. Our activity in the UK is primarily in the field of educational tourism.

We believe that by delivering quality language and communication training, we act as a force for change, bringing people together, enhancing mutual understanding and tolerance, and unlocking human potential.

Our educational portfolio of predominantly face to face and online learning includes:

- English language teaching for students aged over 16 years of age during the daytime and in the evening. This includes general English, IELTS and the Cambridge main suite of exam courses: Students travel from overseas and take courses for periods of one week to up to a year.
- Specialist communications training for professionals aged over 21 in our dedicated Executive Centre and online.
- English language teaching with activities and specialist subjects for under 18s in London, at other seasonal locations around the country, online and overseas on demand.
- Teacher training for CELTA and DELTA candidates online and in London, a range of shorter specialised courses for language trainers, and numerous projects overseas.
- Foreign languages for residents of London and elsewhere online. IH London delivers courses for

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over 11 languages.

- The delivery of exams from the London centre and at locations around the UK, and Israel. Exams include: IELTS, SELT and OET.

Our Covent Garden School

Our large school is located in the popular and vibrant Covent Garden area in Central London. Our modern air- conditioned school has nine floors with a large library, cafe, computer centre, comfortable social spaces, reception, and fully equipped large bright premium classified classrooms.

What makes International House London stand out from the competition?

- We are an educational charity and a not-for-profit organisation. Annual surplus generated are reinvested into the charity for new and further product development and improvement, increasing student engagement and experience.
- We are a well-known and trusted brand built up over 60 years of innovation and industry leadership. We created the first teacher training courses (the forerunner to today's CELTA). We operate globally and have delivered programmes in many countries. International House World is the central membership office for a network of 133 private language schools located in over 45 countries.
- We have a high degree of academic integrity and authority. Most of our teachers are diploma-qualified. Many of our teachers' materials have been published. In addition, we have trained a high percentage of today's EFL teachers. We also develop our expertise through hosting and attending industry workshops and conferences.
- We have a very experienced and professional team, and we aim to attract and retain the best talent in the industry. We offer our academic staff a wide range of professional development and industry opportunities.
- We achieved 13/15 strengths in our British Council inspection, and we also hold accreditations by the Independent Schools Inspectorate and EAQUALS. IHWO is our fourth accrediting body.
- We offer the most complete range of language services available in the market in the UK today and have the largest market share in teacher training and the IELTS examination. Our Covent Garden school is now the *only* Cambridge Platinum Exam Centre designated by Cambridge University Press and Assessment.
- We are situated in one of the largest English language centres in the UK, located in the famous of Covent Garden, in the cultural heart of London.
- We are innovators. We pioneered the CELTA qualification, are the only school to offer the Distance Delta in partnership with the British Council. We were the first school in London to offer face to face OET preparation courses for medical English and we were the first to market our school in virtual reality (VR).

Trustees' Report



Funding and Donations

The Charity does not actively solicit donations directly from the public nor use third parties for fundraising: The Charity is therefore not registered with the Fundraising Regulator and does not subscribe to any fundraising codes of practice. If donations from individuals or trusts and foundations were to be received, the Charity would ensure personal data is appropriately protected. The Charity received no complaints within the year regarding fundraising.

Strategic Report

Strategic Goals

The last business strategy was developed in 2019 for three years from 2020 to 2022. On the backdrop of the unexpected and devastating Pandemic from 2020 until around Q1 2022, the organisation continued to monitor its performance against the agreed milestones with outcomes measured against the five key milestones reported in the 2022 statutory accounts.

During 2024, the Senior Leadership Team (SLT) at IH London commenced developing a new three year strategy. These were presented to the Board for review at the September 2024 Board. They are currently being refined with a view to be approved by the Board and implemented in 2025 for a period

Trustees' Report

of three years. These will be developed around a Strategic Framework.

The key agreed themes with the Board and SLT are summarised below.

Strategic aim	Description
Build organisational resilience	Continue to strengthen organisational resilience and generate a reliable and sustainable surplus to consistently deliver charitable objectives and purpose.
Be more digitally literate	Become a digitally literate and data driven organisation to be more efficient and remain relevant and competitive in a changing landscape.
Offer an outstanding educational tourism experience to our customers.	Ensure we deliver excellent customer service to enable our customers to have a world class educational tourism experience at IH London and during their time in London.
Make IH London an attractive and rewarding place to work.	Empower, reward, and support our staff by offering meaningful and impactful work and opportunities to develop and grow with the aim of being an employer of choice.
Effectively communicate and maximise IH London's value proposition to the market	Ensure that IH London has high visibility in the market with effective and relevant messaging and resourcing to enable our customers and their representatives to find us, like us and to secure their programmes with the greatest of ease.

Senior Leadership Team

The Senior Leadership Team remained largely unchanged in 2024.

Mark Rendell, our high-profile CEO, joined IH London in January 2019. Mark is a member of the English UK Board where his tenure as Chair came to the end of its tenure. He is a member of the Accreditation UK Executive Board, a member of the Cambridge Assessment Standards Committee and is a director on the IHWO Board.

Arif Kaji is the Director of Finance and Company Secretary.

Lawrence Jackson is the Director of Sales and Marketing.

Caroline Turner is the Director of Operations.

Jason White is the Director of Examinations.

Trustees' Report

Manuel Benchetrit is the Director of Young Learner.

Didem Altinok was the Director of People and Culture, who left in March 2025.

Financial Review

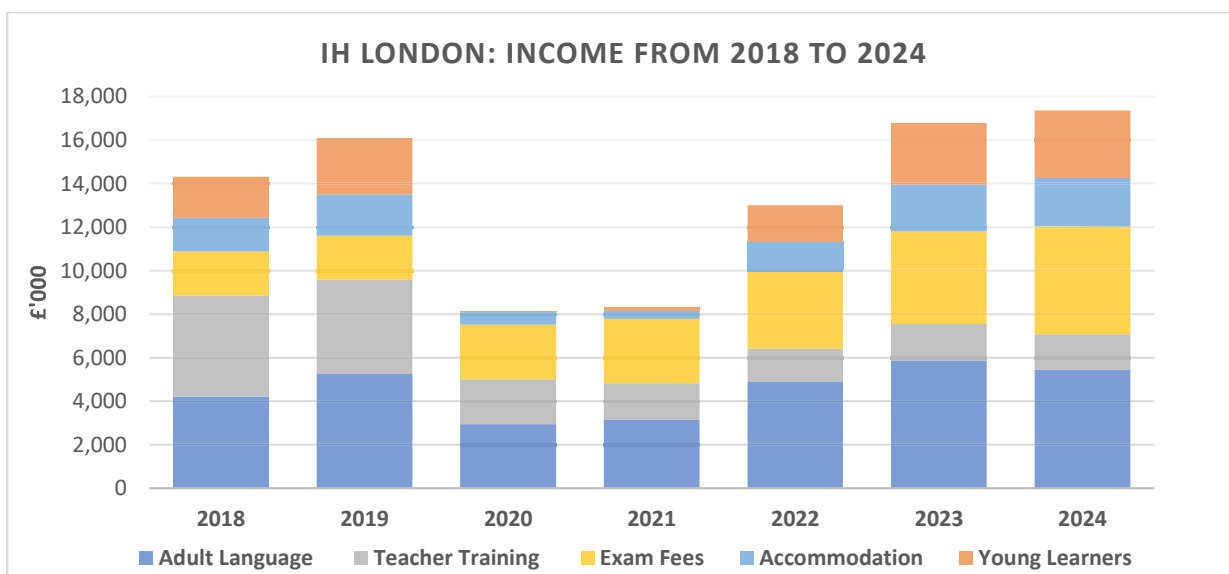
Despite strong macro-economic and geopolitical headwinds from several directions impacting the ELT sector, IH London delivered further growth in overall revenues from 2023. Trading revenues increased from £16.8M in 2023 to £17.4M in 2024; an increase of £0.6M (3.6%). This despite UK economic uncertainty from continued upward inflationary pressure, high cost of living and continued high Bank Base Rates which only started to see small and gradual reductions from Q3 2023 falling from a peak of 5.25% to the current rate of 4.5% in Q1 2025.

IH London, operating in the Education Tourist Operator (ETO) space, has a high dependency on international travel. The strengthening of the Pound against most major currencies had a further deteriorating impact on the UK as a destination of choice for international travelers. In addition, the prolonged and continuously high cost of living increased costs of accommodation, leisure activities, and domestic travel, particularly in London. Certain markets which generated strong volumes in the past were impacted by a combination of war, economic and/or geopolitical uncertainty in their respective countries or devaluation of their currency.

The ELT sector in general suffered a significant reduction in student numbers from the post Pandemic peak of 2023, which was driven by pent up demand for international travel. IH London, in comparison, has performed slightly better or no worse than the ELT sector. This reflects IH London's market positioning, supported by its strong brand. IH London's diversified portfolio of income helped cushion the impact of the downturn in the ELT sector. Whilst traditional school products such as General English suffered a downturn, its Exam income organically grew through additional candidates coming through existing venues as well as new opening of new venues. In addition, whilst the ELT adult sector declined in student numbers from 2023, the decline in the Young Learner sector has not been as pronounced. IH London's Young Learner programme delivered increased income compared to 2023.

Revenues in all divisions except Young Learner and Exam delivered either stagnant or fall in revenue compared to 2023. The overall trajectory, however, is upward despite the challenging trading conditions.

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Since the end of the Pandemic years of 2020 and 2021, overall income streams have been on an upward trajectory. Income from adult language courses and Teacher Training fell by 7% and 3% respectively from 2023, but this was more than supplemented by an increase in income of 16% from Exam fees.

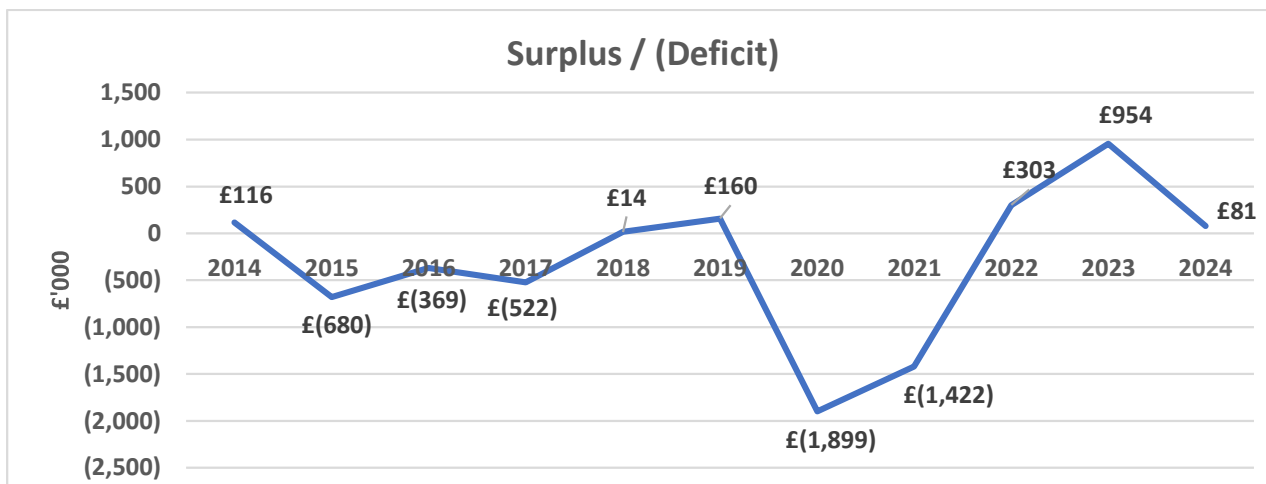
Whilst inflation fell from its double-digit peak in 2024 to around 3.5% in Q1 2025, there has been little appetite, rebound or market correction on input costs to ease. The hike in company National Insurance contributions announced in the Autumn 2024 Government Budget effective from April 2025, is unhelpful and will add to pressures in cost. The uncertainty of energy supply chain impacted by the continued war in Ukraine, and geopolitical tensions across other regions, is likely to keep inflation above the Bank of England's 2% target for some time. That said IH London has and will continue to monitor its input costs to ensure all procurement deliver value for money, and where possible seek further operational efficiencies. For example, IH London are in the process to migrate its IT infrastructure to fully cloud. This will not only reduce long-term operational costs, it will also increase security, durability and flexibility in remote access.

During 2024, IH London took the decision to purchase the annex (ground and lower ground floor) at the adjacent building – 16.5 Stukeley Street. The building was previously occupied under a long leasehold agreement. The purchase was funded from own reserves (£1.4M) and bank facility from Charity Bank (£2.2M). At the same time, IH London also took the opportunity to refinance its Coronavirus Business Interruption Loan Scheme (CBILS) and working capital loans from Lloyds Bank PLC to Charity Bank. The new and refinanced facilities are availed on favorable terms, which will allow IH London to generate additional liquidity for future investment and capital expenditure projects. The outright purchase of the annex is a key strategic initiative; it allows IH London to undertake future capacity expansion and provide IH London with surety of tenure beyond the expiry of the long leasehold.

The challenging trading conditions and continued cost pressures generated a modest surplus of £81K. Against a backdrop of continue headwinds faced by the ELT sector, we expect market

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conditions to remain turbulent for the foreseeable future. IH London will continue to monitor its operating capability and ensure costs are at least in line with revenues.



Expenditure for the year on charitable activities was £17,512K (2023: £16,066K). Net income was £81K [2023: £954K], a reduction of £873K from 2023.

As noted above, IH London refinanced its CBILS and the working capital loans from Lloyds Bank PLC to Charity Bank. The total amount refinanced in September 2024 to Charity Bank was £907K and £1,503K for CBILS and working capital loans respectively. The new loan facility to fund the purchase of the annex at 16.5 Stukeley Street in September 2024 amounted to £2,151K.

Total repayment on both loans resulted in a reduction of £490K (2023: £610K). The loans are secured on both properties at 16 Stukeley Street and 16.5 Stukeley Street and are repayable over the next 20 years (2023: 9 years).

The Charity ended the year with cash of £1,456K (2023: £3,078K) without recourse to an overdraft and a considerable fixed asset.

Public Benefit

In reviewing the Charity's aims, and putting them into action, the trustees have taken account of the Charity Commission's guidance on public benefit.

The Charity provides services for the advancement of education, a charitable purpose recognised by the Charity Commission. Whilst the Charity is required to charge for its services to fund their provision, it also offers programmes at low and zero cost. In addition, the Charity also delivers professional development of language teachers to raise language teaching standards worldwide.

We have historically provided a substantial programme of lessons at a nominal cost both in English as a Foreign Language and in Modern Languages to disadvantaged people in London, widening access to those who might not be able to afford the full cost of such courses. These courses have been accessible to all citizens and provided by supervised trainee teachers on initial teacher training courses or by

Trustees' Report

experienced teachers taking a more advanced training course, usually the Cambridge DELTA. Those benefiting include unemployed people, recent migrants, refugees, and others who can demonstrate their need.

The Charity continues to support Refuaid, an organisation that helps refugees, and Crisis, an organisation that helps the homeless. Support includes free general English, exam preparation, and subsidised teacher training programmes.

The Charity continues to operate in alignment with the objects in its Memorandum and providing courses in English and other languages, teacher training and professional development programmes, and language testing services.

IH London continues to be actively engaged in helping to raise standards within the English Language Teaching industry (ELT). Several teachers' materials have been published in ELT sector publications and our teachers regularly deliver free workshops at leading industry events. Our CEO was until 2024 Chair of the national trade association (English UK) and continues to serve as a Board member that represents ELT in the UK and is a member of the Accreditation UK inspection scheme board.

International House World Organisation

International House Trust Limited holds 50% of the authorised share capital (plus one affiliate share) of International House World Organisation Limited (IHWO), a company serving the international affiliate network of over 133 centres in 45 countries. IHWO sets quality standards for its affiliates, currently branded as the 'IH Charter' and regularly inspects the Trust to monitor the school's compliance. Further details about the IHWO network are provided on their website, www.ihworld.com.

Accreditation and Professional Memberships

IH London places great importance on the quality of its teaching, training and other related services that are provided through its schools.

As a result, it has several accreditations and memberships that help ensure quality is maintained and, where possible, improved. The Charity's key accreditations and memberships are:

- *Independent Schools Inspectorate (ISI)* – ISI run a government approved quality assurance scheme called *Educational Oversight* that accredits independent schools which allows them to issue Tier 4 student visas. As a result, the Charity holds a highly Trusted Sponsor license, (SBY3ENNAS), issued by the UK Visa and Immigration Authority.
- *Eaquals (Evaluation and Accreditation of Quality in Languages Services)*, is an international accreditation scheme for quality language providers. The Scheme provides an inspection and membership service.
- *Accreditation UK* - the accreditation scheme jointly run by the British Council and English UK is the leading quality assurance in the UK for the ELT sector. Both the School and the Young Learners division are inspected at least every four years. The planned Young Learners British Council inspection in 2024 delivered an exceptional outcome, achieving no less than 12 strengths.

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- *English UK* - the Charity is a member of the professional body that represents the accredited English language teaching and language training sector.
- *Cambridge Assessment* - for Cambridge teacher training and examinations. IH London is also a British Council approved IELTS Centre for both the standard IELTS and the secure (SELT) IELTS. In addition, the Charity's Covent Garden school is now the *only* designated Platinum Centre in the UK awarded by Cambridge University Press and Assessment, positioning IH London into an enviable position.
- International Association of Teachers of English as a Foreign Language (IATEFL) - is an association for teachers, lecturers, teacher trainers, academic managers: researchers, and institutions involved in English Language Teaching (ELT) with a mission to link, develop and support English Language Teaching professionals worldwide.

Risk Management

The Charity has a comprehensive risk management policy which was strengthened further through the Governance Framework in 2021. The Finance, General Purpose, Risk and Audit Committee scrutinises the risk register and risk mitigations, prepared by the senior leadership team, before recommending it to the Board. The risk register is reviewed monthly by the senior leadership team and every quarter alternating between the Committee and the Board. The current primary risks identified by the Board are:

Primary Risks	Mitigations
<p>Geopolitical tensions / Political changes key markets</p> <p>Countries falling into conflict with their neighbours or the UK, leading to a fall in student numbers.</p> <p>Change in key target country policies resulting in loss of revenue. For example, war between Russia and Ukraine.</p> <p>China: geopolitical tensions over Hong Kong.</p>	<ul style="list-style-type: none"> • Monitor global affairs closely. • Develop, maintain and strengthen close relationships with key partners across the globe. • Education and Assessments have a good geographical spread of markets. • Ensure the organisation is agile to change legal structure to adapt and continue to service under new policies compliant with regulatory changes. • Retain a strong presence in other major territories to maintain visibility and good communications. Ensure the school is not over dependent on any single nation or region.
<p>Brexit</p> <p>Reputational damage in Europe.</p>	<ul style="list-style-type: none"> • Membership and representation through English UK to champion UK ELT. • Focus sales on new markets in diverse

Trustees' Report

<p>Loss of work rights for EU nationals (students and staff).</p>	<p>locations around the world.</p> <ul style="list-style-type: none"> From January 2021, students no longer require a study visa to learn English for up to six months. Standard tourist visa is sufficient
<p>Recession / Inflation / Adverse forex impact</p> <p>Cost of living crises significantly adversely impacting the cost base, diluting margins. The threat of recession, upward trajectory in Bank Base rates further squeezing household net disposable income, reduced business confidence, increase in unemployment curtailing spending and investments by individuals and companies.</p>	<ul style="list-style-type: none"> Competitive tendering for all new contracts at the end of contract terms. Continuous review of cost base, ensuring value for money assessments to optimise margins. Diversify into new territories and markets, develop new products and services and diversify revenue streams. Tender for public sector contracts and develop subscription model. Promote languages as a tool that helps individuals improve their employability. Promote teacher training as an option for alternative career prospects. Forward exchange contracts. Where possible and at the opportune time, seek opportunities to refinance long term loans on improved terms, increasing liquidity.
<p>Cybercrime and associated liability</p> <p>Key data is hacked leading to loss of business intelligence, personal information, and potential financial penalties.</p> <p>Reputational damage.</p>	<ul style="list-style-type: none"> Cyber insurance cover. Preventative measures: staff training, up to date firewalls and anti-virus protection, regular checks and audit of all IT equipment and infrastructure, penetration testing, regular system back-up. Develop disaster recovery strategy. Develop data retention policy. Initiate compliance assessments for data protection, GDPR and regulatory compliance,

Trustees' Report

	<p>and regular compliance audits.</p> <ul style="list-style-type: none"> • Migrate IT systems to cloud.
<p>Loss of accreditation</p> <p>Loss of ISI would mean schools cannot issue Tier 4 visas.</p> <p>Loss of accreditation UK status would mean the school could not trade.</p>	<ul style="list-style-type: none"> • Maintain high quality levels through sufficient staffing, training, and resources. • Regularly review the accreditations criteria and conduct mock inspections.
<p>Loss of key staff</p>	<ul style="list-style-type: none"> • Initiate succession planning across all departments. • Ensure all new staff receive an induction. • Ensure job descriptions and interview process for new recruits identifies good fit for the organization, following value proposition of the organization. • Adequate training programmes for professional staff development. • Initiate a competitive but affordable employee benefits programme.

Through careful planning, the Board carefully reviews and mitigates these risks, which could lead to a combination of reputational, brand image, and financial damage through adverse demand for the Charity's products and services if not managed.

Management has and will continue to implement several initiatives to sustain and improve ongoing revenue conversion whilst managing the cost base. Initiatives such as continuous value for money assessments across all procurement, competitive tendering for every contract review. These measures should continue to have a positive impact on IH London's revenues and financial performance.

Management has taken several strategic actions to improve working capital and liquidity including refinancing of the two existing loans (CBILS and working capital), renegotiating contracts, managing working capital outgoings, and reducing the net cash burn each month. These are presented to the Trustees monthly with the trading update. The cash balance continues to be adequately above the gross and net cash burn rate. The surplus cash position at the end of 2024 is being assessed for strategic investment opportunities which will increase capacity, widen, and enhance IH London's revenue streams, increase retention and customer experience, and further improve its brand image and reputation for excellence.

Trustees' Report

The Trustees have reviewed the Charity's expected future cash flows and have a reasonable expectation that the Charity has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the Charity's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Reserves

Cash generated which is surplus to reserve requirements will be applied to making improvements to the Charity's facilities and investing in further charitable activities.

The Charity's reserves are constituted wholly by unrestricted funds. As of 31 December 2024, the reserves stood at £8,193K (2023: £8,112K); an increase of £81K resulting from the year's modest trading surplus.

On the backdrop of prolonged and persistent headwinds, the Charity will look to protect its market territory, with the aim to at least break even and maintain cash neutral position. When trading conditions improve, to seek opportunities for investment and expansion of operations and generate surpluses. The Charity will pursue a policy of maintaining and where possible increasing the reserves to support the Charity's ongoing activities.

The Trustees maintain a planned level of cash and short-term deposits, taking account of:

- The Charity's charitable purposes.
- Operational and financial risks and seasonal fluctuations.
- Cash which may be needed for future developments.

The underlying free reserves of the company stood at £nil at 31 December 2024 (2023: £nil). The Trustees consider that the current levels of free reserves and cash are adequate, given that:

- Most of the income is received in advance of courses starting, which provides the Charity with a strong cash flow.
- The Charity has a history of generating trading surpluses as well as cash inflows from its activities.

The Charity maintains its short-term deposits divided between banks to obtain the best risk-free market return.

Structure, Governance and Management

The company is governed by its Memorandum and Articles of Association adopted on 2 January 1976. They were subsequently amended on 28 September 2009. For the purposes of good governance and ensuring the Charity's charitable objectives are fit for purpose and they continue to comply with applicable laws and regulations, the Board of Trustees reviewed, amended, approved, and adopted by Special Resolution the amended governance documents on 13 June 2024.

International House Trust Limited, trades as "International House London" or "IH London" and at three

Trustees' Report

residential Young Learner Centres, which in 2024 traded as 'IH London', 'IH Frensham', and 'IH Oxford'.

The new Board approved governance documents state that there must be at least five but no more than twelve Trustees. All Trustees are also the members of the company: the guarantee for each member is limited to £1. Trustees serve for an initial term of three years and may be appointed to serve for a further two terms but no more than 9 years.

If a Trustee's re-appointment would result in them serving more than nine years in office, they may only be re-appointed if the other Trustees consider the circumstances to be exceptional and the re-appointment is approved by a resolution of at least 75% of the other Trustees. Following such re-appointment, a Trustee may be re-appointed for one further subsequent term of three years on these same terms but only after taking a break from office of a minimum of three years.

Trustees are recruited by advertisement and by the personal recommendation of existing Trustees and are interviewed by the Chair of the People and Culture Committee and at least two other Trustees. Candidates are appointed by a resolution passed by the Board. New Trustees are provided with an induction programme and ongoing training is arranged as needed for all Trustees.

The Board of Trustees met four times in 2024 for four Board Meetings. Major strategic decisions are reserved for the Board, including approval of the budget, capital programmes and senior appointments.

The Board of Trustees delegates day-to-day responsibilities for management to the senior leadership team, led by the Chief Executive. The Board oversees how this delegation is being managed by the reporting of regular financial, sales and key management activities to Board Committees, and, where appropriate, to the Board. The Board in 2024 approved a revised Delegation of Authority that has further strengthened financial control, responsibility, and clarity.

Trustee	Committee Membership
Phil Huggon	<ul style="list-style-type: none"> > Chair of the Board of Trustees > Finance, General Purposes, Audit and Risk Committee > People and Culture Committee
Isabel Di Vanna	<ul style="list-style-type: none"> > Vice Chair of the Board of Trustees > Finance, General Purposes, Audit and Risk Committee
Tomasz Mazgai	
Maxwell Nye	
Gareth Hughes	<ul style="list-style-type: none"> > Finance, General Purposes, Audit and Risk Committee > People and Culture Committee (Chair from May 2022)
Rosalind Richards OBE	Appointed: 19 September 2024

Trustees' Report

	> Finance, General Purposes, Audit and Risk Committee
Samantha Grainger	> Finance, General Purposes, Audit and Risk Committee > People and Culture Committee
Vincenzo Raimo	> People and Culture Committee
Arif Mansoor	Appointed: 20 March 2024 > Finance, General Purposes, Audit and Risk Committee (Chair) Resigned: 15 April 2025
Roy Cross	Resigned: 31 December 2024
Julie Wallis	Resigned: 31 December 2024

Board Committees

The **Finance, General Purposes, Audit and Risk Committee** (which met four times in 2024) is responsible for advising the Board on matters such as the school's business and financial performance, loan servicing, capital expenditure and issues relating to property, monitoring the management of the risks facing the Charity and reviewing the annual financial statements as well as a general remit to prepare issues for presentation to the Board.

The **Social Value Committee** was disbanded by the Board at the end of 2023.

The **People and Culture Committee**, (which met four times in 2024) is responsible for reviewing the composition and governance of the Board, recruiting, and recommending prospective Trustees to the Board for appointment, and for developing policies for managing trustee rotation. Additionally, the Committee is responsible for reviewing and agreeing remuneration policies for all staff. The Committee is also responsible for reviewing and agreeing remuneration policies for senior management, the Charity's key management personnel, for which it has been given delegated authority. The emolument for key management personnel is generally benchmarked and based on remuneration to attract the relevant seniority and skills and/or comparable remuneration in the sector.

Employee Engagement

A few years ago, IH London introduced a monthly All Staff Meeting (now referred to as Town Hall), in response to feedback received in the annual employee engagement survey. The agenda for this meeting includes standing items on updates on revenue, strategic initiatives, and progress against annual financial targets. Additionally, there are updates on specific projects, as well as items for discussion raised by staff in the meeting. The Directors host the meeting in turn and provide regular updates on their areas of the business. The monthly Town Hall Meetings are well attended by a good representation of staff across departments. IH London have introduced a staff suggestions box, and the responses are shared in the weekly newsletter. The development and introduction of the Intranet in 2024 has further enhanced communication channels between senior management.

Trustees' Report

There are also monthly meetings between the Senior Leadership Team and Heads of Departments to discuss departmental developments.

All Directorates have regular meetings with their teams to address issues faced by employees as they arise and/or proactively. There is also a good working relationship with the Union, who are involved as a first stage in organisational changes impacting on human resources, such as new benefits, policy updates, salary reviews and restructures. The CEO and Director of Finance also meet with them monthly to discuss any emerging issues or queries. This provides an opportunity to resolve any potential problems before they escalate. The Union will often provide feedback on engagement initiatives, such as the questions in the annual employee survey.

Equal Opportunities

The Charity actively applies its Equal Opportunities Policy to create an environment where all employees are treated with respect and are not subjected to discrimination. IH London believes that the pursuit of equality of opportunity is fundamental to the achievement of the vision and mission.

Our policy statement extends to recruitment and selection, career progression, and training of staff where we encourage fairness and equality. Additionally, we make reasonable adjustments for employees to ensure that staff with disabilities are not substantially disadvantaged in carrying out their responsibilities.

One such initiative is access to Togetherall, a benefit available to all staff. Additionally, where requested, we have reasonable adjustments for staff to work flexibly and / or hybrid where feasible.

In terms of equal pay, women earn £1.06 for every £1 that men earn comparing the median hourly pay. When comparing mean (average) hourly pay, women's mean hourly pay is 2.5% higher than men.

Other Matters

The Trustees would like to express their sincere thanks to HaysMac for their audit and professional services over the years. Their expertise and commitment have been greatly valued by the charity.

As part of the Trustees' ongoing commitment to good governance and best practice, a decision has been taken to undertake a formal retendering process for the external audit services commencing with the audit of the financial year ending 31 December 2025. The current auditors will be invited to participate in this process alongside other potential providers.

Statement of Trustees' Responsibilities

The Trustees (who are the directors of the company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Trustees must not approve the financial statements unless they are satisfied

Trustees' Report

that they give a true and fair view of the state of affairs of the company and of its net incoming resources for that period. 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 Charity Statement of Recommended Practice (SORP).
- Make judgments 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.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Trustees is aware:

- There is no relevant audit information of which the company's auditor is unaware.
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Report was approved by the Board of Trustees and signed on their behalf by:

P. Huggon

Philip Huggon
Chair of the Board of Trustees

Date: 27/06/2025

Independent auditor's report to the members of International House Trust Limited

Year ended 31 December 2024

Opinion

We have audited the financial statements of International House Trust Limited for the year ended 31 December 2024 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

International House Trust Limited

Annual Report and Accounts year to 31 December 2024
Company No. 01239120

**Independent auditor's report to the members of International House Trust Limited**

Year ended 31 December 2024

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent auditor's report to the members of International House Trust Limited

Year ended 31 December 2024

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 20 and 21, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to company and charity law applicable in England and Wales, safeguarding regulations, the Independent School Inspectorate, Accreditation UK, health and safety requirements, GDPR and employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006 and the Charities Act 2011, and consider other factors such as payroll tax.

International House Trust Limited

Annual Report and Accounts year to 31 December 2024
Company No. 01239120



Independent auditor's report to the members of International House Trust Limited

Year ended 31 December 2024

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to income recognition and management override of controls. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journal entries; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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

A handwritten signature in black ink that reads 'Tracey Young'.

Tracey Young (Senior Statutory Auditor)
For and on behalf of HaysMac LLP,
Statutory Auditors
10 Queen Street Place
EC4R 1AG
London

Date: 02/07/2025

Statement of financial activities incorporating an income and expenditure account

Year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Income from:			
Charitable activities			
Teaching and learning	2	17,357	16,779
Investments		14	5
Other	2	222	236
Total		17,593	17,020
Expenditure on:			
Charitable activities	3	17,512	16,066
Total		17,512	16,066
Net income	14	81	954
Net movement in funds		81	954
Reconciliation of funds:			
Funds brought forward		8,112	7,158
Total funds carried forward		8,193	8,112

All the above results relate to unrestricted funds.

The notes on pages 30 to 43 form part of these financial statements.

International House Trust Limited

Annual Report and Accounts year to 31 December 2024
Company No. 01239120



Balance Sheet

As at 31 December 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Tangible fixed assets	8	14,147	10,873
Intangible fixed assets	9	157	144
Investments	10	1	1
		<hr/>	<hr/>
		14,305	11,018
Current assets			
Debtors	11	3,646	3,353
Cash at bank and in hand		1,456	3,078
		<hr/>	<hr/>
		5,102	6,431
Creditors: amounts falling due within one year	12	(6,793)	(7,153)
		<hr/>	<hr/>
Net current liabilities		(1,691)	(722)
Net assets less current liabilities		12,614	10,296
Creditors: Amounts falling due after more than one year	13	(4,421)	(2,184)
		<hr/>	<hr/>
Total net assets		8,193	8,112
		<hr/>	<hr/>
The funds of the charity:			
Unrestricted funds		8,193	8,112
		<hr/>	<hr/>
Total charity funds		8,193	8,112

The notes on pages 30 to 43 form part of these financial statements.

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

P. Huggon

Philip Huggon

Trustee and Chair

Date: 27/06/2025

International House Trust LimitedAnnual Report and Accounts year to 31 December 2024
Company No. 01239120

Cash Flow Statement

Year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	i	675	1,356
Cash flows from investing activities:			
Interest received		15	5
Purchase of tangible fixed assets		(3,732)	(114)
Purchase of intangible fixed assets		(85)	(94)
Net cash (used in) investing activities		(3,802)	(203)
Cash flows from financing activities:			
Interest payable		(225)	(211)
Repayment of borrowings		(2,830)	(610)
New borrowings in year		4,560	-
Net cash (used in) financing activities		1,505	(821)
Changes in cash and cash equivalents in the year		(1,622)	332
Cash and cash equivalents at 1 January 2023		3,078	2,746
Cash and cash equivalents at 31 December 2024		1,456	3,078

Note i) Reconciliation of net income to net cash inflow from operating activities

	2024 £'000	2023 £'000
Net income for the year (as per the Statement of financial activities)	81	954
Depreciation charges	530	481
Interest receivable	(15)	(5)
Interest payable	225	211
(Increase) in debtors	(293)	(416)
Increase in creditors (excluding the bank loan)	147	131
Net cash provided by from operating activities	675	1,356

Cash Flow Statement

Year ended 31 December 2024

Note ii) Analysis of cash and cash equivalents:

	1 January	Cash Flow	31 December
	2024		2024
	£'000	£'000	£'000
Cash at bank and in hand	3,078	(1,622)	1,456

Notes to the accounts

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a. Company Information

International House Trust Ltd is a private company, limited by guarantee, domiciled in England and Wales (registration number 01239120) and is a charity registered with the Charity Commission in England and Wales (registration number 270860). The registered office is 16 Stukeley Street, Covent Garden, London WC2B 5LQ.

b. Basis of financial statements

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 (FRS102) (Second edition effective 1 Jan 2019) – (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) and the Charities Act 2011.

c. Going concern

The Charity has generated positive cashflows through improved trading conditions and management of costs with surpluses from 2022 to 2024 and is anticipating a modest surplus in 2025 and 2026.

The Trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the charity's financial viability. On that basis they believe the going concern basis of accounting is appropriate for these annual financial statements.

d. Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably. Income received in advance of the provision of a service is deferred until the criteria for income recognition are met. Specifically:

- Tuition fees are accounted for across the period in which the course is provided. Income relating to courses and related accommodation delivered across financial periods is apportioned based on the number of course days that fall in each period.
- Investment income, rental income and trading income are accounted for in the period to which they relate.
- Examination income is recognised in the period in which the examination takes place.

e. Expenditure

Charitable activities result in expenditure related to the direct furtherance of the company's

Notes to the accounts

charitable objectives. All expenditure is accounted for on the accruals basis. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the company to the expenditure. The cost headings comprise expenditure directly attributable to the activity.

Direct costs comprise accommodation, teaching salaries and payments, examinations department costs, agents' commissions, student social programme, teaching materials, student insurance and activities to widen access amongst disadvantaged groups.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. They are allocated directly to the company's charitable activities following categorisation in accordance with the following table:

Category	Definition
Support staff	All non-direct employee costs, including employees managing teaching staff, including any bonus, redundancy and terminations payments, recruitment, training, and welfare costs.
Marketing and communications	Marketing and communications costs, excluding employee costs.
Establishment and Office	Facility expenditure (including rent, rates, and utilities), and stationery, phone, postage, and IT costs, excluding staff costs.
Finance, legal and professional	Finance costs including bank charges, merchant fees and VAT payable on agent commissions, current gains and losses, legal, surveyor and other professional fees. Employee costs are excluded.
Other expenses	Other costs including travel, hospitality, and subsistence, product development, subscriptions and any other costs not falling within another category.

Governance costs, included within support costs, relate to compliance with constitutional and statutory requirements and include an apportionment of the CEO's and Finance Director's employee costs, Trustees' expenses, and audit fees.

f. Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably; this is normally upon notification of the interest paid or payable by the Bank.

g. Operating leases

Where title to the equipment remains with the lessor, rental charges are charged on a straight-line basis over the term of the lease.

Notes to the accounts

h. Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of the company. There are no restricted funds in the current or prior year.

i. Tangible fixed assets

Tangible fixed assets costing more than £1,000 used by the charity over a period of one year or more are capitalised:

- Freehold land is not depreciated.
- Freehold buildings are depreciated over 50 years.
- Leasehold improvements depreciated over 298 months to end of the lease term.
- Fixtures, fittings, and furniture are depreciated over 10 years on a straight-line basis.
- Computers, video equipment, language laboratories and equipment are depreciated over 3 years on a straight-line basis.

j. Intangible fixed assets

Intangible fixed assets costing more than £1,000 used by the company over a period of one year or more are capitalised:

- Course development, website development and software are depreciated over 3 years on a straight-line basis.
- 'SchoolWorks', the school's main management information system is depreciated over 7 years on a straight-line basis, being an estimate of its expected use.
- Goodwill is depreciated over 5 years.

k. Cash at bank and in hand and short-term deposits

Cash at bank and cash in hand are funds available to the Charity. Other cash is categorised as short-term deposits.

l. Debtors

Trade debtors are amounts invoiced and unpaid. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Amounts invoiced but not yet due for payment are recognised as debtors.

m. Creditors

Creditors are recognised when there is an obligation at the balance sheet 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 are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payments where such discounting is material. Course fees in advance

Notes to the accounts

are treated as deferred income and are for amounts received, or due for receipt, but where all or part of the course has not yet been provided.

n. Taxation

The company is a registered charity. It is not liable to income tax or corporation tax on income derived from its charitable activities.

As an educational body the company is exempt from charging value added tax (VAT) on its educational services. Where appropriate, expenditure is recorded inclusive of irrecoverable VAT.

o. Estimation uncertainty

In the application of the Charity's accounting policies, Trustees are required to make judgements, estimates, and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

p. Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans that are subsequently measured at amortised cost using the effective interest method.

Financial assets comprise debtors less prepayments. Financial liabilities comprise creditors.

q. Pensions

A defined contribution group personal pension (GPP) scheme operated through Scottish Widows is available to all permanent employees with three months' service. The employer's contribution was equal to 4% of basic salary and the employee determines their contribution, subject to the minimum specified by auto-enrolment legislation. The Charity offers a salary sacrifice option and these contributions are included within the employer's pension scheme contributions. Employees who are not eligible for the GPP scheme are auto enrolled into 'The People Pension' in accordance with current employment legislation.

Notes to the accounts

2 Income from charitable activities

	2024	2023
	£'000	£'000
Adult Language Courses	5,444	5,864
Young Learners	3,094	2,825
Teacher training courses	1,638	1,688
Examination fees	4,937	4,243
Accommodation	2,244	2,159
	17,357	16,779

Other income of £222k (2023: £236k) predominantly comprises Social Activity and Meeting Room income.

3 Expenditure on charitable activities

	2024	2023
	£'000	£'000
Direct costs of teaching and examinations		
Adult Language courses	2,074	2,118
Young Learners	1,124	833
Teacher training courses	872	834
Examinations	3,062	2,612
Accommodation	3,204	2,901
Other direct costs	199	148
	10,535	9,446
Support costs (note 4)	6,977	6,620
	17,512	16,066

Notes to the accounts

4 Expenditure on support costs and governance

	General Support	Governance	2024
	£'000	£'000	£'000
Staff, including teaching management	4,280	83	4,363
Marketing and communications	540	-	540
Establishment and office	999	-	999
Finance, legal and professional	280	41	321
Write offs and provisions	(111)	-	(111)
Depreciation and amortisation	530	-	530
Interest payable	225	-	225
Other expenditure	110	-	110
	6,853	124	6,977

	General Support	Governance	2023
	£'000	£'000	£'000
Staff	3,759	58	3,817
Marketing and communications	502	-	502
Establishment and office	1,122	-	1,122
Finance, legal and professional	213	45	258
Write offs and provisions	72	-	72
Depreciation and amortisation	481	-	481
Interest payable	211	-	211
Other expenditure	157	-	157
	6,517	103	6,620

5 Staff costs

	2024	2023
	£'000	£'000
Gross salaries	6,802	5,792
Social security costs	555	476
Employer's pension scheme contributions	199	133
	7,556	6,401
Self-employed and agency staff	437	631
	7,993	7,032

Notes to the accounts

5 Staff costs (continued)

The number of employees whose emoluments for the year (including taxable benefits but not employer's pension scheme contributions or national insurance) exceeded £60,000 was:

	2024	2023
	Number	Number
Employees earning between:		
£130,001 and £140,000	-	1
£120,001 and £130,000	2	-
£110,001 and £120,000	-	1
£100,001 and £110,000	1	-
£80,001 and £90,000	1	-
£70,001 and £80,000	4	3
£60,001 and £70,000	5	3
	13	8

Employer's pension contributions of £35,506 (2023: £15,878) were made for the above employees.

The aggregate remuneration, including any applicable employer's national insurance, severance payments and employers pension scheme contributions for 'key management personnel', referred to as the Senior Management Team on page 9, was £775,749 (2023: £769,348).

The average headcount of employees analysed by function was:

	2024	2023
	Headcount	Headcount
Examinations	181	146
Teaching	149	147
Support	115	94
	445	387

During the year redundancy and termination payments of £3,290 (2023: £nil) were paid.

Notes to the accounts

6 Trustees' remuneration & related party transactions

The trustees neither received nor waived any emoluments during the year (2023: £nil). Seven trustees (2023: five trustees) were reimbursed travelling expenses of £2,246 (2023: £2,675) during the year.

7 Operating leases

The charity has the following future minimum lease payments under non-cancellable operating leases for each of the following years:

	2024	2023
	£'000	£'000
Within one year	19	17
Between one year and five years	12	23
	31	40

Notes to the accounts

8 Tangible fixed assets

	Freehold land and buildings £'000	Leasehold Properties £'000	Fittings, furniture, and Equipment £'000	Total £'000
Cost				
1 January 2024	15,700	913	2,475	19,088
Additions	52	3,623	57	3,732
31 December 2024	<u>15,752</u>	<u>4,536</u>	<u>2,532</u>	22,820
Depreciation				
1 January 2024	5,399	591	2,225	8,215
Charge	322	46	90	458
31 December 2024	<u>5,721</u>	<u>637</u>	<u>2,315</u>	8,673
Net book value				
31 December 2024	<u>10,031</u>	<u>3,899</u>	<u>217</u>	<u>14,147</u>
1 January 2024	<u>10,301</u>	<u>322</u>	<u>250</u>	<u>10,873</u>

The leasehold properties are an extension to the freehold building at 16 Stukeley Street. 'Freehold land and buildings' include £3M of non-depreciating freehold land. During 2024 the annexed (ground and lower ground floors) at 16.5 Stukeley Street, previously held under a long leasehold was purchased for £3.6M, inclusive of transaction and legal costs.

Notes to the accounts

9 Intangible fixed assets

	SchoolWorks	Website	On-line Education	Software Licenses	Goodwill	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
1 January 2024	581	348	89	91		1,109
Additions	58	-	-	7	20	85
31 December 2024	639	348	89	98	20	1,194
Amortisation						
1 January 2024	574	266	89	36	-	965
Charge	8	40	-	22	2	72
31 December 2024	582	306	89	58	2	1,037
Net book value						
31 December 2024	57	42	-	40	18	157
1 January 2024	7	82	-	55	-	144

International House Trust Limited

Company No. 01239120

Year to 31 December 2024

**Notes to the accounts****10 Investments**

	2024	2023
	£'000	£'000
International House World Organisation Ltd (at cost)	1	1

The company owns the Ordinary Trust Share representing 50% of the issued share capital with a book value of £500 and 1 Affiliate Share in International House World Organisation Ltd (IHWO). Decisions by IHWO in general meetings can only be made with the agreement of both classes of shareholder and consequently the Trustees do not consider that International House Trust exercises control over IHWO. The accounts are therefore not consolidated on the basis that the charity does not control the financial and operating policies of IHWO. Its registered address is Unity Wharf, 13 Mill Street, London, SE1 2BH.

A summary of the results of IHWO are given below:

	2024	2023
	£'000	£'000
Profit and loss account - IHWO Limited		
Turnover	900	849
Cost of sales	(167)	(176)
Gross profit	733	673
Administrative expenses	(756)	(637)
Other income and expenditure	5	5
Change in fair value of financial assets	(60)	-
Tax on profit	15	(8)
Profit for the year	(63)	33
Total comprehensive income/(expenditure) for the year	(63)	33

	2024	2023
	£'000	£'000
Balance Sheet - IHWO Limited		
Fixed assets	497	557
Current assets	392	379
Creditors: amounts falling due within one year	(182)	(152)
Net current assets	707	784
Creditors: amounts falling due after one year	-	-
Provisions for liabilities	(50)	(65)
Net assets	657	719
International House Trust Ltd: 50% of shareholders' equity	329	360

Notes to the accounts

The prior year figures for the Profit and Loss account have been restated.

During the year the Trust made payments to IHWO of £20,729 (2023: £26,164) on normal commercial terms. Payments of £469 (2023: £Nil) were made by IHWO to the Trust.

11 Debtors

	2024	2023
	£'000	£'000
Trade debtors	1,802	1,607
Other debtors	1,180	996
Prepayments	662	747
Staff loans and advances	2	3
	3,646	3,353

12 Creditors: amounts falling due within one year

	2024	2023
	£'000	£'000
Loans repayable within one year	110	617
Trade creditors	1,230	1,216
Accruals	1,856	1,547
Taxation and social security	145	144
Deferred income: Course fees in advance	3,419	3,591
Other creditors	33	38
	6,793	7,153

Deferred Income

Opening Balance 1 January 2024	3,591	3,558
Released during the year	(3,527)	(3,477)
Newly deferred	3,355	3,510
Closing Balance 31 December 2024	3,419	3,591

Income is deferred for courses booked in advance.

Notes to the accounts

13 Creditors: amounts falling due after more than one year

	2024	2023
	£'000	£'000
Loan repayable within two to five years	527	1,460
Loan repayable in more than five years	3,894	724
Creditors: amounts falling due after more than one year	4,421	2,184

In September 2024, the Trust refinanced its CBILS and working capital loans from Lloyds Bank Plc to the Charity Bank. An additional loan facility was availed from Charity Bank to help fund the purchase of the annexed building (ground and lower ground floors) at 16.5 Stukeley Street previously occupied under a long leasehold. All three loans are for 20 years and secured over both 16 Stukeley Street and 16.5 Stukeley Street. Interest rates for all three loans are Bank of England Base Rates plus 2.50%. Total repayments of £490K were made in 2024.

14 Net income for the year

This is stated after charging:

	2024	2023
	£'000	£'000
Depreciation and Amortisation	530	482
Auditor's remuneration:		
Audit fees	34	36
Non-Audit fees	8	3
Leasehold property rent	156	204
Operating leases equipment	19	17
Interest payable	225	211

15 Analysis of net (debt)/funds

	1 Jan 2024	Cashflow	Non-cash	31 Dec
	£'000	£'000	changes	2024
			£'000	£'000
Loans falling due within one year	(617)	507	-	(110)
Loans falling due after one year	(2,184)	(2,237)	-	(4,421)
	(2,801)	(1,730)	-	(4,531)
Cash at bank and in hand	3,078	(1,622)	-	1,456
	277	(3,352)	-	(3,075)

Notes to the accounts

15 Analysis of net (debt)/funds (continued)

	1 Jan 2023	Cashflow	Non-cash changes	31 Dec 2023
	£'000	£'000	£'000	£'000
Loans falling due within one year	(637)	610	(590)	(617)
Loans falling due after one year	(2,774)	-	590	(2,184)
	(3,411)	610	-	(2,801)
Cash at bank and in hand	2,746	332	-	3,078
	(665)	942	-	277

16 Share capital

The company is limited by guarantee and does not have share capital. Members are not entitled to any dividends or to a share in the assets on dissolution. Each member undertakes to contribute up to a maximum sum of £1 on winding up. Each member has one vote. There were 9 members as at 31 December 2024 (2023: 9).

17 Ultimate controlling party

The charitable company is under the ultimate control of the Board of Trustees.

18 Capital commitments

At 31 December 2024 no capital commitments had been authorised, no commitments had been contracted (2023: nil).

INTERNATIONAL HOUSE TRUST LIMITED

England & Wales - Charity number 270860

Accounts



International
House
London





Trustees' Report and Financial Statements

31 December 2023

International House Trust Limited
A company limited by guarantee (01239120)
Registered Charity (270860)

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International House Trust Limited

Annual Report and Accounts year to 31 December 2023

Company 01239120

Reference information

Board of Trustees	Phil Huggon - Chair Gareth Hughes Julie Wallis Roy Cross Maxwell Nye Tomasz Mazgaj Isabel Di Vanna Samantha Grainger Vicenzo Raimo Monica Green (resigned 29 September 2023) Ricard Alonso Ferre (resigned 29 September 2023) Mary Beaven (resigned 29 September 2023) Shantanu Bhagwat (resigned 29 December 2023) Arif Mansoor (appointed 20 March 2024)
Senior Leadership Team	Mark Rendell (Chief Executive Officer) Arif Kaji (Director of Finance) Lawrence Jackson (Director of Sales and Marketing) Caroline Turner (Director of Operations) Jason White (Director of Examinations) Manuel Benchetrit (Director of Young Learner Programmes) Didem Altinok (Director of People and Culture)
Registered office	16 Stukeley Street, Covent Garden London, WC2B 5LQ
Website	www.ihlondon.com
Company registration number	01239120, incorporated on 2 January 1976 (England and Wales)
Charity registration number	270860
VAT registration	GB 1061 801 56
Auditors	Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG
Bankers	Lloyds Bank, 39 Threadneedle Street, London, EC2R 8AU Allied Irish Bank (UK) PLC, 10 Berkeley Square, London W1J 6AA World First UK Ltd, 21-24 Millbank, London SW1P 4QP Barclays Bank PLC, 1 Churchill Place, Leicester, LE87 2BB
Solicitors	Russell-Cooke, 2 Putney Hill, London SW15 6AB

International House Trust Limited

Annual Report and Accounts year to 31 December 2023

Company 01239120

Chair's Report

International House Trust Limited (trading as "International House London, "IH London") delivered an excellent set of trading results in 2023, stimulated by the post Covid-19 recovery from Q2 2022 and delivered at a time of prolonged and wider challenging UK economic conditions initiated by rampant and continuous upward pressure on inflation and the consequential cost of living crises. This was compounded by consistent increases in Bank Base Rates to dampen consumer spending in an attempt to control inflation which peaked at double digit figures in Q4 2022. The subsequent fall in inflation has been slow and staggered and is currently at around 3.2%. The impact of high inflation will continue to be felt for some time, with consumer confidence at an all-time low impacting economic growth.

Inflation and the cost-of-living crises inevitably have an adverse impact on non-essential consumer spending, including education and training. And of course, the continued impact of Brexit on the ELT sector, which will continue to be felt for some time.

Whilst UK economic recovery has been sluggish, slow, and gradual, economic recovery in most international countries were on shorter runways and well ahead of the UK, including G7 countries. IH London's business model relies on international travel, and with more favorable economic conditions in key international economies, the trading impact on IH London was somewhat cushioned. The weaker GBP Sterling against most international currencies further boosted international travel into the UK and IH London trading.

Despite the UK's economic challenges, IH London has continued to deliver post Covid-19 trading improvements. The role and retention of IH London staff, academic and non-academic; from recruitment of students and candidates from existing and new market territories, development of existing and new products and services, improvement in student experience and services, to delivery of first-class student tuition, has been invaluable for IH London to deliver impressive trading results.

On the backdrop of economic uncertainty throughout 2022 and into 2023, IH London generated impressive trading revenues of £16.8M, an increase of £3.8M (29.0%) compared to 2022, which was impacted by Covid-19 restrictions until Q2 2022. IH London generated a surplus of £1M during 2023, after two consecutive years of deficits [2021: £(1.4)M and 2020: £(1.9)M] and a modest surplus of £0.3M in 2022.

IH London had initiated the CBILS loan scheme to provide working capital and cash flow injection to support its operations through Covid-19. The total outstanding loans at the end of December 2023 stood at £2.8M (2022: £3.4M), a reduction of £0.6M. In addition, IH London generated a cash surplus of £0.3M during 2023.

With prospective business still potentially to come from pre Covid-19 high volume territories, the future of IH London is encouraging. The continued potential increase in demand for IH London products and services combined with improving and encouraging financial results provides IH London with a platform to explore strategic opportunities to deliver much needed capacity to fulfill increasing future demand and provide sustainable growth.

International House Trust Limited

Annual Report and Accounts year to 31 December 2023
Company 01239120

Chair's Report

Over the last few years, IH London has demonstrated an incredibly strong appetite to adapt and implement changes to its operations allowing it to withstand economic, environmental, and economic turbulence.

The organisation is now at a pivotal point.

During 2023, IH London invested in a Digital team that will help the organisation deliver its strategic objective of delivering digital transformation. Whilst the new IH London strategy is currently being developed, the overarching objective is to find opportunities to streamline internal processes, improve student engagement and experience, and develop new products and services that will further enhance IH London's already excellent reputation, portfolio of products and services, and strong brand. These initiatives will allow the organisation to deliver operational efficiencies and improve its competitive edge, allow it to continue to be sustainable and increase its contribution to deliver on its charitable objectives.

Having successfully navigated difficult economic and environmental challenges, and subsequently delivering impressive financial results, I am confident the organisation is now in a relatively strong operational and financial position to seek strategic opportunities for sustainable growth.

We continued to deliver excellence throughout our operations evidenced by our various accreditations. In addition, our Covent Garden school was designated a Cambridge Platinum Exam Centre by Cambridge University Press and Assessment, one of only two in the UK and the only one in London, further strengthening our commitment to continue to deliver excellence and first class services to our students and candidates. An excellent achievement.

I would like to thank the Board of Trustees for their time, support, dedication and advice to myself, the wider Board and Committees throughout 2023. I would also like to thank Mark Rendell, our Chief Executive Officer, the Senior Leadership Team, and all members of staff for their continued loyalty and hard work.

The future of IH London looks exciting and encouraging.

P. Huggon

Philip Huggon
Chair of the Board of Trustees

Date: 13 June 2024

International House Trust Limited

Annual Report and Accounts year to 31 December 2023

Company 01239120

CEO Report

During the global pandemic, International House London was fortunate enough to benefit greatly from a diversified portfolio of activity and we had the determination to protect our workforce and key partner relationships. This meant that the organisation was very well placed to return to operational effectiveness quickly in 2022 and the momentum generated that year has continued into 2023.

In fact, against the backdrop of a sluggish recovery within the sector, IH London posted its best set of results for over 13 years in 2023 and revenue exceeded the level seen in the last normal year of trading which was 2019.

There can be no doubt that IH London has outperformed the market but there must be a hint of caution as the ELT market in the UK continues to face significant challenges and is not expected to return to 2019 levels until 2025. According to English UK QUIC data, the UK ELT sector showed a recovery of 83% against 2019 in 2023 and Q4 was only 75%.

There are also several challenges facing international student mobility both in the UK and around the world at present which are creating market uncertainty. The ELT market is inextricably linked with higher education and the UK HE sector has witnessed an alarming fall in international student numbers since the turn of the year with a 44% drop in applications. This is a result of rising visa fees, restrictions on dependents and uncertainty about the future of post study work route.

We also see rising geopolitical tensions around the world which have directly impacted central Europe and the Middle East, we see a fall in European students because of Brexit and the full impact of digital disruption is potentially still to come.

Having noted these risks, these are challenges that all successful organisations need to embrace, pre-empt, and adapt to as far as possible. International House London is in a strong position to continue to thrive. We are prioritising investment opportunities that will help the organisation to sustain growth and deliver efficiencies and several significant transformative activities are planned for 2024.

We are improving our digital capability and have launched an innovative new Teacher Portal product for teachers which is opening up IH London's vast bank of resources and expertise to the global teaching community.

We recognise the need to upskill and improve our use of technology and at the same time we continue to see a strong future for educational tourism. There is an intrinsic human need to develop true communicative and cultural competence and a premium value placed on enriching global life and community experiences.

We are focusing on supporting and upskilling our valued staff and really continuing to improve the satisfaction of our customers through our service, range of choice, quality of delivery and the physical environment.

I would like to take this opportunity to thank our Board of Trustees for their service and dedication towards the charity. They give their time and expertise freely and provide valuable guidance and support to the direction of the organisation.

International House Trust Limited

Annual Report and Accounts year to 31 December 2023

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CEO Report

I would also like to pay tribute to my colleagues at International House London. We have a strongly motivated, capable, warm, and caring team who are driven to provide the best educational outcomes for the 10,000+ customers that come through our doors or study with us online. We enable so many individuals to progress with their lives and to contribute to their societies and globally towards shaping a more connected, peaceful, and prosperous world.

Finally, 2023 was a special year for International House London. It was the 70th anniversary since the opening of the first International House school in Spain and our school was selected to host the prestigious annual Directors Conference. We loved hosting our fellow affiliates and reminding them of how special our school is and the wonderful array of attractions and experiences that our fine city has to offer.

*Mark Rendell***Mark Rendell**
Chief Executive Officer

Date: 13 June 2024

International House Trust Limited

Annual Report and Accounts year to 31 December 2023

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Trustees' Report

Introduction

International House (IH) was founded in 1953 in Cordoba, Spain by John and Brita Haycraft and is now one of the world's largest and best-known groups of language schools. IH schools teach over 200,000 students every year and employ over 5,800 teachers.

The London school opened in 1957 in Covent Garden and became an Educational Trust in 1974. International House London (or IH London) is the trading name for International House Trust Limited. IH London holds a 50% share in the London based International House World Organisation (IHWO) which is the body that was established to oversee the network of globally affiliated language schools located in 45 countries spanning every continent and to manage the IH brand.

Founders, John, and Brita had the goal of using language learning as a tool to help bring the world back together following the ravages of the second world war. They were also committed to raising the standards of English language teaching and training worldwide and created the forerunner of the industry leading CELTA teacher training qualification.

Schools in the network teach English, Spanish, German, French, Japanese, Arabic, and a wide variety of other languages to adults and young learners. Across the network, IH schools train about half of all CELTA graduates in the world. IH London also specializes in the delivery of examinations including IELTS.

Our Areas of Expertise

International House London is a world leader in language teaching, training, and testing. Our activity in the UK is primarily in the field of educational tourism.

We believe that by delivering quality language and communication training, we act as a force for change, bringing people together, enhancing mutual understanding and tolerance, and unlocking human potential.

Our educational portfolio of face to face and online learning includes:

- English language teaching for students aged over 16 years of age during the daytime and in the evening. This includes general English, IELTS and the Cambridge main suite of exam courses: Students travel from overseas and take courses for periods of one week to up to a year.
- Specialist communications training for professionals aged over 21 in our dedicated Executive Centre and online.
- English language teaching with activities and specialist subjects for under 18s in London, at other seasonal locations around the country, online and overseas on demand.
- Teacher training for CELTA and DELTA candidates online and in London, a range of shorter specialised courses for language trainers, and numerous projects overseas.
- Foreign languages for residents of London and elsewhere online. IH London delivers courses for over 11 languages.
- The delivery of exams from the London centre and in locations around the UK, Israel, and Nigeria.

International House Trust Limited

Annual Report and Accounts year to 31 December 2023

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Trustees' Report

Exams include: IELTS, SELT and OET.

Our Covent Garden School

Our large school is located in the popular and vibrant Covent Garden area in Central London. Our modern air- conditioned school has nine floors with a large library, cafe, computer centre, comfortable social spaces, reception, and fully equipped large bright classrooms.

What makes International House London stand out?

- We are an educational charity and a not-for-profit organisation.
- We are a well-known and trusted brand built up over 60 years of innovation and industry leadership. We created the first teacher training courses (the forerunner to today's CELTA). We operate globally and have delivered programmes in many countries. International House World is the central membership office for a network of 133 private language schools located in over 45 countries.
- We have a high degree of academic integrity and authority. Most of our teachers are diploma-qualified, many of our teachers have been published and we have trained a high percentage of today's EFL teachers. We also develop our expertise through hosting and attending industry workshops and conferences.
- We have a very experienced and professional team, and we aim to attract and retain the best talent in the industry. We offer our academic staff a wide range of professional development and industry opportunities.
- We achieved 13/15 strengths in our British Council inspection, and we also hold accreditations by the Independent Schools Inspectorate and EAQUALS. IHWO is our fourth accrediting body.
- We offer the most complete range of language services available in the market in the UK today and have the largest market share in teacher training and the IELTS examination. Our Covent Garden school was recently designated a Cambridge Platinum Exam Centre by Cambridge University Press and Assessment.
- We are situated in one of the largest English language centres in the UK, located in the famous of Covent Garden, in the cultural heart of London.
- We are innovators. We pioneered the CELTA qualification, are the only school to offer the Distance Delta in partnership with the British Council, we were the first school in London to offer face to face OET preparation courses for medical English and we were the first to market our school in virtual reality (VR).

Funding and Donations

The Charity does not actively solicit donations directly from the public nor uses third parties for fundraising: Therefore, it is not registered with the Fundraising Regulator and does not subscribe to any fundraising codes of practice. If donations from individuals or trusts and foundations were to be received, the Charity would ensure personal data is appropriately protected. The Charity received no complaints within the year regarding fundraising.

Trustees' Report

Strategic Report

Strategic Goals

The last business strategy was developed in 2019 for three years from 2020 to 2022. At the time, there was no indication that the UK and the world economies would be impacted by an unprecedented Pandemic. The outcomes against agreed deliverables around that strategy were clearly impacted by a rapidly changing, unpredictable and uncontrollable environmental event with uncertain and ever changing short-term political decisions impacting business operations. Despite this, the organisation continued to monitor its performance against those agreed milestones with outcomes measured against those five key milestones reported in the 2022 statutory accounts.

The Senior Leadership Team (SLT) at IH London have recently commenced developing a new three year (2024 - 2026) strategy. This is currently being developed and will be presented to the Board for approval at the September 2024 Board. The key agreed themes with the Board and SLT are summarised below.

Strategic aim	Description
Build organisational resilience	Continue to strengthen organisational resilience and generate a reliable and sustainable surplus to consistently deliver charitable objectives and purpose.
Be more digitally literate	Become a digitally literate and data driven organisation to be more efficient and remain relevant and competitive in a changing landscape.
Offer an outstanding educational tourism experience to our customers.	Ensure we deliver excellent customer service to enable our customers to have a world class educational tourism experience at IH London and during their time in London.
Make IH London an attractive and rewarding place to work.	Empower, reward, and support our staff by offering meaningful and impactful work and opportunities to develop and grow with the aim of being an employer of choice.
Effectively communicate and maximise IH London's value proposition to the market	Ensure that IH London has high visibility in the market with effective and relevant messaging and resourcing to enable our customers and their representatives to find us, like us and to secure their programmes with the greatest of ease.

International House Trust Limited

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Trustees' Report

Senior Leadership Team

The Senior Leadership Team remained largely unchanged in 2023.

Mark Rendell, our high-profile CEO, joined IH London in January 2019. Mark is also Chair of English UK, he is a member of the Accreditation UK Executive Board, a member of the Cambridge Assessment Standards Committee and is a director on the IHWO Board.

Arif Kaji is the Director of Finance and Company Secretary.

Lawrence Jackson is the Director of Sales and Marketing.

Caroline Turner is the Director of Operations.

Jason White is the Director of Examinations.

Elizabeth Arbuthnott was the Director of Young Learner Programmes, who left in December 2023, replaced by our new Director of Young Learner Programmes, **Manuel Benchetrit**.

Dawn Pike was the Director of People and Culture, who left in December 2023, replaced by **Didem Altinok**.

Financial Review

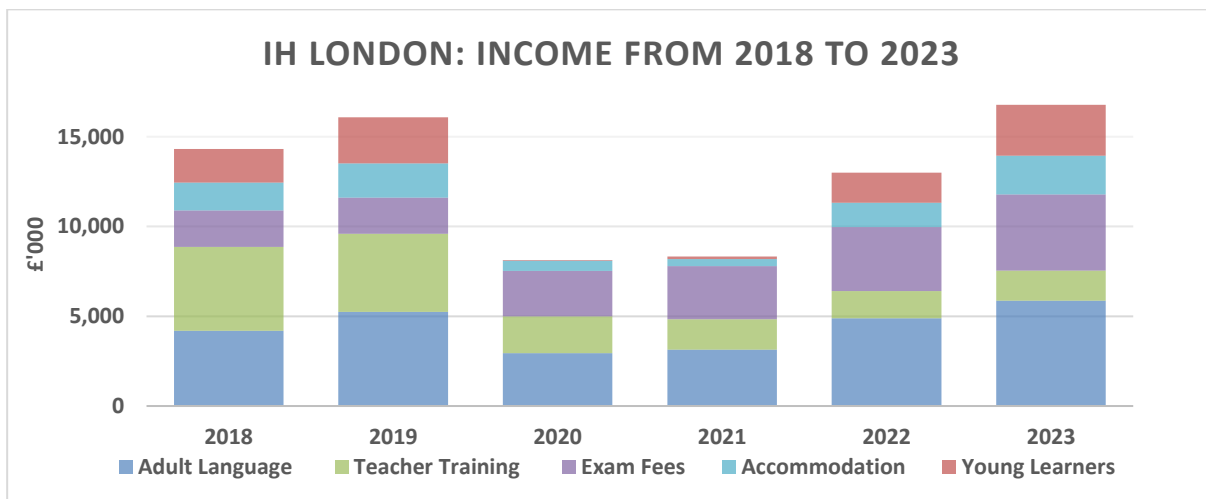
IH London's rebound from the two Pandemic hit years of 2020 and 2021 started in Q2 2022 gaining momentum throughout 2022 and accelerated in 2023. This culminated in IH London delivering impressive trading figures, increasing from £13.0M to £16.8M, a year-on-year increase of £3.8M (29.0%). This despite UK economic uncertainty from upward inflationary pressure, high cost of living and high Bank Base Rates, cushioned by favorable GBP Sterling foreign exchange rates compared to most international currencies thereby boosting international travel into the UK.

Increasing international travel into the UK boosted sales at IH London who have a strong dependency on international students and candidates. Seasonal impacts mean the peak summer trading is key to the organisations' prospects. Two consecutive strong summer months in 2022 and 2023 has given the organisation impetus. The strong revenues delivered in the Young Learners programme is testament; an area of focus given the predicted future growth in this sector.

All divisions delivered revenue growth. Unlike 2022, Teacher Training rebounded despite the withdrawal of the Erasmus+ funding and continued strong preference for face-to-face teaching meant increased demand for and utilisation of classroom space at Covent Garden.

The graph below illustrates the organisations strong revenue recovery in 2023.

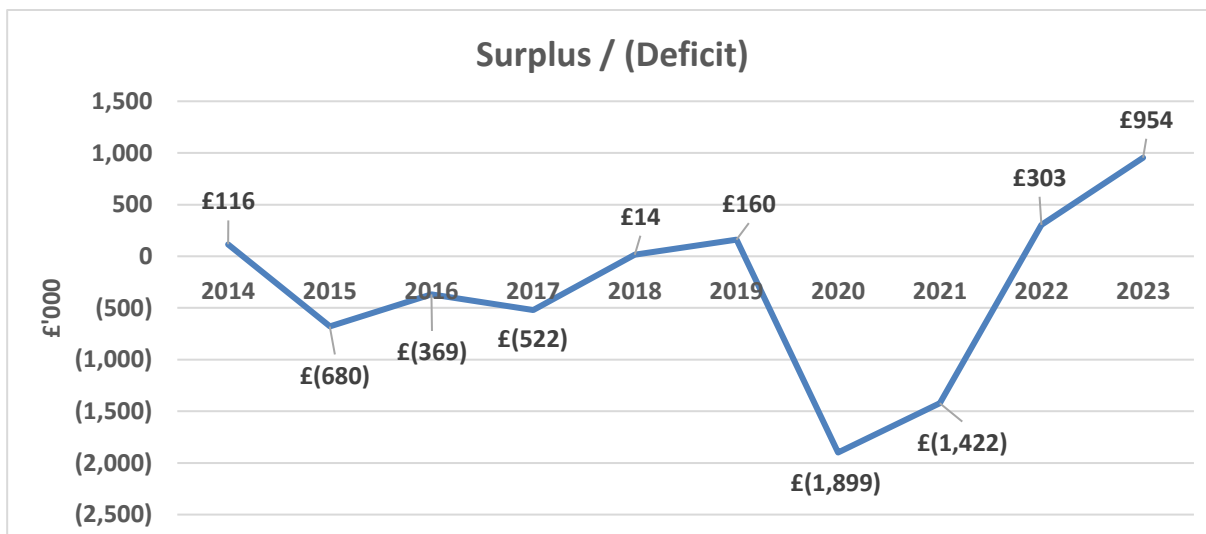
Trustees' Report



Overall, within 18 months of trading post 2 years of a devastating Pandemic, the organisation’s revenues are £0.7M higher than the peak reached in 2019, just before the start of the Pandemic. This is impressive and a testament to the agility, strong brand, and quality of service so admired by students and candidates. All product lines delivered growth compared to 2022.

Inflationary pressures will continue to have an impact on the organisation beyond 2023. In view of this, the organisation has taken several steps to cushion itself from the impact of cost inflation such as utilisation of classroom space. These measures have helped to protect margins. In addition, the organisation will continue to seek operational efficiencies through value of money assessments, and optimising procurement.

The steep recovery of EBITDA from H2 2021 reduced deficit by £0.5m from 2020 to 2021 and a further £1.7m from 2021 to 2022, through a combination of revenue growth and cost efficiencies. We expect the recovery to be sustained through 2024 driven by further income growth and continued focus on cost management.



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Expenditure for the year on charitable activities was £16,066K (2022: £12,855K). Net income was £954K [2022: £303K], an improvement of £651K.

The Charity availed £2,350K against the Coronavirus Business Interruption Loan Scheme (CBILS) in July 2020. This was in addition to the Term loan availed in 2018.

Total repayment on both loans resulted in a reduction of £610K (2022: £626K), reducing the total secured loan to £2,802K as at 31 December 2023 (2022: £3,411K). The loan is secured on the property at 16 Stukeley Street and is repayable over the next 9 years (2022: 10 years).

The Charity finished the year with cash of £3,078K (2022: £2,764K) without recourse to an overdraft and a considerable fixed asset.

Public Benefit

In reviewing the Charity's aims, and putting them into action, the trustees have taken account of the Charity Commission's guidance on public benefit.

The Charity provides services for the advancement of education, a charitable purpose recognised by the Charity Commission. Whilst the Charity is required to charge for its services to fund their provision, it also offers programmes at low and zero cost. In addition, the Charity also delivers professional development of language teachers to raise language teaching standards worldwide.

We have historically provided a substantial programme of lessons at a nominal cost both in English as a Foreign Language and in Modern Languages to disadvantaged people in London, widening access to those who might not be able to afford the full cost of such courses. These courses have been accessible to all citizens and provided by supervised trainee teachers on initial teacher training courses or by experienced teachers taking a more advanced training course, usually the Cambridge DELTA. Those benefiting include unemployed people, recent migrants, refugees, and others who can demonstrate their need.

The Charity also supports Refuaid, an organisation that helps refugees, and Crisis, an organisation that helps the homeless. Support includes free general English, exam preparation, and subsidised teacher training programmes.

The Charity continues to operate in alignment with the objects in its Memorandum and providing courses in English and other languages, teacher training and professional development programmes, and language testing services.

IH London is also very actively engaged in helping to raise standards within the English Language teaching industry (ELT). Several teachers have been published and our teachers regularly deliver free workshops at leading industry events. Our CEO is Chair of the national trade association (English UK) that represents ELT in the UK and is a member of the Accreditation UK inspection scheme board.

The Social Value Committee which reports to the Board continuously provides oversight of the activities and initiatives of the organisation that bring public benefit and monitors social and environmental impact. During 2021, the organisation embarked on B-Corp implementation to further the social impact of International House. In May 2022, we exceeded the scoring requirements for the

International House Trust Limited

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Trustees' Report

certification. Although the certification cannot be applied as a Charity, it has been instrumental in driving the social value agenda of the Committee.

International House World Organisation

International House Trust Limited holds 50% of the authorised share capital (plus one affiliate share) of International House World Organisation Limited (IHWO), a company serving the international affiliate network of over 133 centres in 45 countries. IHWO sets quality standards for its affiliates, currently branded as the 'IH Charter' and regularly inspects the Trust to monitor the school's compliance. Further details about the IHWO network are provided on their website, www.ihworld.com.

Accreditation and Professional Memberships

IH London places great importance on the quality of its teaching, training and other related services that are provided through its schools.

As a result, it has several accreditations and memberships that help ensure quality is maintained and, where possible, improved. The Charity's key accreditations and memberships are:

- *Independent Schools Inspectorate (ISI)* – ISI run a government approved quality assurance scheme called *Educational Oversight* that accredits independent schools which allows them to issue Tier 4 student visas. As a result, the Charity holds a highly Trusted Sponsor license, (SBY3ENNAS), issued by the UK Visa and Immigration Authority.
- *Eaquals (Evaluation and Accreditation of Quality in Languages Services)*, is an international accreditation scheme for quality language providers. The Scheme provides an inspection and membership service.
- *Accreditation UK* - the accreditation scheme jointly run by the British Council and English UK is the leading quality assurance in the UK for the ELT sector. Both the School and the Young Learners division are inspected at least every four years, with Young Learners due an inspection in 2024.
- *English UK* - the Charity is a member of the professional body that represents the accredited English language teaching and language training sector.
- *Cambridge Assessment* - for Cambridge teacher training and examinations. IH London is also a British Council approved IELTS Centre for both the standard IELTS and the secure (SELT) IELTS. In addition, the Charity's Covent Garden school was recently designated as a Platinum Centre by Cambridge University Press and Assessment.
- *International Association of Teachers of English as a Foreign Language (IATEFL)* - is an association for teachers, lecturers, teacher trainers, academic managers: researchers, and institutions involved in English Language Teaching (ELT) with a mission to link, develop and support English Language Teaching professionals worldwide.

Trustees' Report

Risk Management

The Charity has a comprehensive risk management policy which was in 2021 strengthened further through the Governance Framework. The Finance, General Purpose, Risk and Audit Committee scrutinises the risk register and risk mitigations, prepared by the senior leadership team, before recommending it to the Board. The risk register is reviewed monthly by the senior leadership team and every quarter alternating between the Committee and the Board. The current primary risks identified by the Board are:

Primary Risks	Mitigations
<p>Geopolitical tensions / Political changes key markets</p> <p>Countries falling into conflicts with their neighbours or the UK, leading to a fall in student numbers.</p> <p>Change in key target country policies resulting in loss of revenue. For example, war between Russia and Ukraine.</p> <p>China: geopolitical tensions over Hong Kong.</p>	<ul style="list-style-type: none"> • Monitor global affairs closely. • Develop and maintain close relationships with key partners across the globe. • Education and Assessments has a good geographical spread of markets. • Ensure the organisation is agile to change legal structure to adapt and continue to service under new policies compliant with regulatory changes. • Retain a strong presence in other major territories to maintain visibility and good communications. Ensure the school is not over dependent on any single nation or region.
<p>Brexit</p> <p>Reputational damage in Europe.</p> <p>Loss of work rights for EU nationals (students and staff).</p>	<ul style="list-style-type: none"> • Membership and representation through English UK to champion UK ELT. • Focus sales on new markets in diverse locations around the world. • From January 2021, students no longer require a study visa to learn English for up to six months. Standard tourist visa is sufficient
<p>Recession / Inflation / Adverse forex impact</p> <p>Cost of living crises significantly adversely impacting the cost base, diluting margins. The threat of recession, upward trajectory in Bank Base rates further squeezing household net disposable income, reduced business confidence, increase in unemployment curtailing spending and investments by individuals and</p>	<ul style="list-style-type: none"> • Competitive tendering for all new contracts at the end of contract terms. • Continuous review of cost base, ensuring value for money assessments to optimise margins. • Diversify into new territories and markets, development of new products and services

Trustees' Report

Primary Risks	Mitigations
companies.	<p>and diversifying revenue streams.</p> <ul style="list-style-type: none"> • Tender for public sector contracts and develop subscription model. • Promote languages as a tool that helps individuals improve their employability. Promote teacher training as an option for alternative career prospects. • Forward exchange contracts.
<p>Cybercrime and associated liability</p> <p>Key data is hacked leading to loss of business intelligence, personal information, and potential financial penalties.</p> <p>Reputational damage.</p>	<ul style="list-style-type: none"> • Cyber insurance cover. • Preventative measures: staff training, up to date firewalls and anti-virus protection, regular checks and audit of all IT equipment and infrastructure, penetration testing, regular system back-up. • Develop disaster recovery strategy. • Develop data retention policy. • Initiate compliance assessments for data protection, GDPR and regulatory compliance, and regular compliance audits.
<p>Loss of accreditation</p> <p>Loss of ISI would mean school cannot issue Tier 4 visas.</p> <p>Loss of accreditation UK status would mean the school could not trade.</p>	<ul style="list-style-type: none"> • Maintain high quality levels through sufficient staffing, training, and resources. • Regularly review the accreditations criteria and conduct mock inspections.
<p>Loss of key staff</p>	<ul style="list-style-type: none"> • Initiate succession planning across all departments. • Ensure all new staff receive an induction. • Ensure job descriptions and interview process for new recruits identifies good fit for the organization, following value proposition of the organization.

International House Trust Limited

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Trustees' Report

Primary Risks	Mitigations
	<ul style="list-style-type: none"><li data-bbox="810 394 1412 459">• Adequate training programmes for professional staff development.<li data-bbox="810 495 1412 560">• Initiate competitive but affordable employee benefits programme.

Through careful planning, the Board carefully reviews and mitigates these risks, which could lead to a combination of reputational, brand image, and financial damage through adverse demand for the Charity's products and services if not managed.

Management has implemented several initiatives to sustain and improve ongoing revenue conversion whilst managing the cost base. Initiatives such as continuous value for money assessments across all procurement, competitive tendering for every contract review. These measures should continue to have a positive impact on the organisations revenues and financial performance.

During the pandemic, The Charity secured a CBILS loan (in July 2020) for which repayments and interest commitments commenced in 2021. Management has taken several strategic actions to improve working capital and liquidity including renegotiating contracts, managing working capital outgoings, and reducing the net cash burn each month. These are presented to the Trustees monthly with the trading update. The cash balance continues to be adequately above the gross and net cash burn rate. The surplus cash position at the end of 2023 is being assessed for strategic investment opportunities which will increase capacity, widen, and enhance the organisation's revenue streams, increase retention and customer experience, and further improve its brand image and reputation for excellence.

The Trustees have reviewed the Charity's expected future cash flows and have a reasonable expectation that the Charity has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the Charity's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Reserves

Cash generated which is surplus to reserve requirements will be applied to making improvements to the Charity's facilities and investing in further charitable activities.

The Charity's reserves are constituted wholly by unrestricted funds. As of 31 December 2023, the reserves stood at £8,112K (2022: £7,158K); an increase of £954K resulting from the year's trading surplus. With continuous and impressive trading and financial results post pandemic, and strategic options to increase capacity to deliver a wider product portfolio and increased customer experience, the Charity will pursue a policy of maintaining and where possible increasing the reserves to support the Charity's ongoing activities. The Trustees will look to review its reserves policy.

International House Trust Limited

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Trustees' Report

The Trustees maintain a planned level of cash and short-term deposits, taking account of:

- The Charity's charitable purposes.
- Operational and financial risks and seasonal fluctuations.
- Cash which may be needed for future developments.

The underlying free reserves of the company stood at £nil at 31 December 2023 (2022: £nil). The Trustees consider that the current levels of free reserves and cash are adequate, given that:

- Most of the income is received in advance of courses starting, which provides the Charity with a strong cash flow.
- The Charity has a history of generating trading surpluses as well as cash inflows from its activities.

The Charity maintains its short-term deposits divided between banks to obtain the best risk-free market return.

Structure, Governance and Management

The company is governed by its Memorandum and Articles of Association adopted on 2 January 1976 and last amended on 28 September 2009.

For the purpose of good governance, the Trustees are currently reviewing the Charity's Memorandum and Articles of Association, to ensure the Charity's charitable objectives are fit for purpose and they continue to comply with applicable laws and regulations. The revised governance documents will be presented at the June 2024 Board for approval as a Special Resolution.

International House Trust Limited, trades as "International House London" or "IH London" and at three residential Young Learner Centres, which in 2023 traded as 'IH Cambridge', 'IH Frensham', and 'IH Oxford'.

The current governance documents state that there must be at least seven but no more than 15 Trustees. All Trustees are also the members of the company: the guarantee for each member is limited to £1. Trustees serve for a term of four years and may be appointed to serve for one further term (or in the case of a Chair or former Chair two further terms).

Trustees are recruited by advertisement and by the personal recommendation of existing Trustees and are interviewed by the People and Culture Committee. Candidates are appointed by a resolution passed by the Board. New Trustees are provided with an induction programme and ongoing training is arranged as needed for all Trustees.

The Board of Trustees met four times in 2023 for four Board Meetings. Major strategic decisions are reserved for the Board, including approval of the budget, capital programmes and senior appointments.

The Board of Trustees delegates day-to-day responsibilities for management to the senior leadership team, led by the Chief Executive. The Board oversees how this delegation is being managed by the

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Trustees' Report

reporting of regular financial, sales and key management activities to Board Committees, and, where appropriate, to the Board. The Board recently approved a revised Delegation of Authority that will further strengthen financial control, responsibility, and clarity.

Trustee	Committee Membership
Phil Huggon	> Chair of the Board of Trustees > Finance, General Purposes, Audit and Risk Committee > People and Culture Committee
Monica Green	> Finance, General Purposes, Audit and Risk Committee Resigned 29 September 2023
Ricard Alonso Ferre	> Finance, General Purposes, Audit and Risk Committee Resigned 29 September 2023
Mary Beavan	> People and Culture Committee (Chair until May 2022) > Social Value Committee Resigned 29 September 2023
Tomasz Mazgai	
Maxwell Nye	> Social Value Committee (Chair)
Gareth Hughes	> Finance, General Purposes, Audit and Risk Committee > People and Culture Committee (Chair from May 2022)
Roy Cross	> Social Value Committee
Julie Wallis	> Social Value Committee
Isabel Di Vanna	> Finance, General Purposes, Audit and Risk Committee
Samantha Grainger	> Finance, General Purposes, Audit and Risk Committee > People and Culture Committee
Vincenzo Raimo	> People and Culture Committee
Shantanu Bhagwat	> Finance, General Purposes, Audit and Risk Committee (Chair from January 2023) Resigned 29 December 2023
Arif Mansoor	Appointed 20 March 2024

International House Trust Limited

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Board Committees

The **Finance, General Purposes, Audit and Risk Committee** (which met four times in 2023) is responsible for advising the Board on matters such as the school's business and financial performance, loan servicing, capital expenditure and issues relating to property, monitoring the management of the risks facing the Charity and reviewing the annual financial statements as well as a general remit to prepare issues for presentation to the Board.

The **Social Value Committee** (which met four times in 2023) is responsible for developing the company's wider social access agenda.

The **People and Culture Committee**, (which met four times in 2023) is responsible for reviewing the composition and governance of the Board, recruiting, and recommending prospective Trustees to the Board for appointment, and for developing policies for managing trustee rotation. Additionally, the Committee is responsible for reviewing and agreeing remuneration policies for all staff. The Committee is also responsible for reviewing and agreeing remuneration policies for senior management, the Charity's key management personnel, for which it has been given delegated authority. The emolument for key management personnel is generally benchmarked and based on remuneration to attract the relevant seniority and skills and/or comparable remuneration in the sector.

Employee Engagement:

IH London introduced a monthly All Staff Meeting, in response to feedback received in the annual employee engagement survey. The agenda for this meeting includes standing items on updates on revenue, strategic initiatives, and progress against annual financial targets. Additionally, there are updates on specific projects, as well as items for discussion raised by staff in the meeting. IH London have introduced a staff suggestions box, and the responses are shared in the weekly newsletter. The Directors host the meeting in turn and provide regular updates on their areas of the business. The monthly All Staff Meetings are well attended by a good representation of staff across departments.

There are also monthly meetings between the Senior Leadership Team and Heads of Departments to discuss departmental developments.

All Directorates have regular meetings with their teams to address issues faced by employees as they arise and / or proactively. There is also a good working relationship with the Union, who are involved as a first stage in organisational changes impacting on human resources, such as new benefits, policy updates, salary reviews and restructures. The CEO and People and Culture Director also meet with them monthly to discuss any emerging issues or queries. This provides an opportunity to resolve any potential problems before they escalate. The Union will often provide feedback on engagement initiatives, such as the questions in the annual employee survey.

Equal Opportunities:

The Charity actively applies its Equal Opportunities Policy to create an environment where all employees are treated with respect and are not subjected to discrimination. IH London believes that the pursuit of equality of opportunity is fundamental to the achievement of the vision and mission.

Our policy statement extends to recruitment and selection, career progression, and training of staff

International House Trust Limited

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Trustees' Report

where we encourage fairness and equality. Additionally, we make reasonable adjustments for employees to ensure that staff with disabilities are not substantially disadvantaged in carrying out their responsibilities.

One such initiative is access to Togetherall, a benefit available to all staff. Additionally, where requested, we have reasonable adjustments for staff to work flexibly and / or hybrid where feasible.

In terms of equal pay, women earn 98p for every £1 that men earn comparing the median hourly pay. When comparing mean (average) hourly pay, women's mean hourly pay is 0.8% higher than men.

Statement of Trustees' Responsibilities

The Trustees (who are the directors of the company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its net incoming resources for that period. 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 Charity Statement of Recommended Practice (SORP).
- Make judgments 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.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Trustees' Report

In so far as each of the Trustees is aware:

- There is no relevant audit information of which the company's auditor is unaware.
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Report was approved by the Board of Trustees and signed on their behalf by:

P. Huggon

Philip Huggon

Chair of the Board of Trustees

Date: 13 June 2024

International House Trust Limited

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Independent auditor's report to the members of International House Trust Limited

Year ended 31 December 2023

Opinion

We have audited the financial statements of International House Trust Limited for the year ended 31 December 2023 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

International House Trust Limited

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Independent auditor's report to the members of International House Trust Limited

Year ended 31 December 2023

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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Independent auditor's report to the members of International House Trust Limited

Year ended 31 December 2023

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to company and charity law applicable in England and Wales, safeguarding regulations, the Independent School Inspectorate, Accreditation UK, health and safety requirements, GDPR and employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006 and the Charities Act 2011, and consider other factors such as payroll tax.

International House Trust Limited

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Independent auditor's report to the members of International House Trust Limited

Year ended 31 December 2023

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to income recognition and management override of controls. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journal entries; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



Tracey Young (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP,
Statutory Auditors
10 Queen Street Place
EC4R 1AG
London

Date: 14 August 2024

International House Trust Limited

Annual Report and Accounts year to 31 December 2023

Company 01239120

**Statement of financial activities
incorporating an income and expenditure account**

Year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Income from:			
Charitable activities			
Teaching and learning	2	16,779	13,003
Investments		5	1
Other	2	236	154
Total		17,020	13,158
Expenditure on:			
Charitable activities	3	16,066	12,855
Total		16,066	12,855
Net income	14	954	303
Net movement in funds		954	303
Reconciliation of funds:			
Funds brought forward		7,158	6,854
Total funds carried forward		8,112	7,157

All the above results relate to unrestricted funds.

The notes on pages 29 to 42 form part of these financial statements.

International House Trust Limited

Annual Report and Accounts year to 31 December 2023

Company 01239120

Balance Sheet

As at 31 December 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Tangible fixed assets	8	10,873	11,189
Intangible fixed assets	9	144	101
Investments	10	1	1
		<u>11,018</u>	<u>11,291</u>
Current assets			
Debtors	11	3,353	2,937
Cash at bank and in hand		3,078	2,746
		<u>6,431</u>	<u>5,683</u>
Creditors: amounts falling due within one year	12	<u>(7,153)</u>	<u>(7,042)</u>
Net current liabilities		<u>(722)</u>	<u>(1,359)</u>
Net assets less current liabilities		<u>10,296</u>	<u>9,932</u>
Creditors: Amounts falling due after more than one year	13	<u>(2,184)</u>	<u>(2,774)</u>
Total net assets		<u>8,112</u>	<u>7,158</u>
The funds of the charity:			
Unrestricted funds		<u>8,112</u>	<u>7,158</u>
Total charity funds		<u>8,112</u>	<u>7,158</u>

The notes on pages 29 to 42 form part of these financial statements.

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

P. Huggon

Philip Huggon

Trustee and Chair

Date: 13 June 2024

International House Trust Limited

Annual Report and Accounts year to 31 December 2023
Company 01239120

Cash Flow Statement

Year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	i	1,356	2,283
Cash flows from investing activities:			
Interest received		5	1
Purchase of tangible fixed assets		(114)	(35)
Purchase of intangible fixed assets		(94)	(97)
Net cash (used in) investing activities		(203)	(131)
Cash flows from financing activities:			
Interest payable		(211)	(128)
Repayment of borrowings		(610)	(626)
Net cash (used in) financing activities		(821)	(754)
Changes in cash and cash equivalents in the year		332	1,398
Cash and cash equivalents at 1 January 2023		2,746	1,348
Cash and cash equivalents at 31 December 2023		3,078	2,746

Note i) Reconciliation of net income to net cash inflow from operating activities

	2023 £'000	2022 £'000
Net income for the year (as per the Statement of financial activities)	954	303
Depreciation charges	481	519
Interest receivable	(5)	(1)
Interest payable	211	128
(Increase) in debtors	(416)	(1,245)
Increase in creditors (excluding the bank loan)	131	2,579
Net cash provided by from operating activities	1,356	2,283

International House Trust Limited

Annual Report and Accounts year to 31 December 2023

Company 01239120

Cash Flow Statement

Year ended 31 December 2023

Note ii) Analysis of cash and cash equivalents:

	1 January	Cash Flow	31 December
	2023		2023
	£'000	£'000	£'000
Cash at bank and in hand	2,746	332	3,078

Notes to the accounts

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a. Company Information

International House Trust Ltd is a private company, limited by guarantee, domiciled in England and Wales (registration number 01239120) and is a charity registered with the Charity Commission in England and Wales (registration number 270860). The registered office is 16 Stukeley Street, Covent Garden, London WC2B 5LQ.

b. Basis of financial statements

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 (FRS102) (Second edition effective 1 Jan 2019) – (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) and the Charities Act 2011.

c. Going concern

Although the organisation delivered two consecutive years of unprecedented deficits, the Charity rapidly pivoted its operations and delivery to online courses. This combined with steps taken to control costs, CBILS loan and liquidity planning resulted in revenue retention and sustainable cash flow position.

The Charity has generated positive cashflows through improved trading conditions and surplus in 2022 and 2023 and is forecast to deliver further revenue growth and surplus in 2024.

The Trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the charity's financial viability. On that basis they believe the going concern basis of accounting is appropriate for these annual financial statements.

d. Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably. Income received in advance of the provision of a service is deferred until the criteria for income recognition are met. Specifically:

- Tuition fees are accounted for across the period in which the course is provided. Income relating to courses and related accommodation delivered across financial periods is apportioned based on the number of course days that fall in each period.
- Investment income, rental income and trading income are accounted for in the period to which they relate.
- Examination income is recognised in the period in which the examination takes place.

Notes to the accounts

e. Expenditure

Charitable activities result in expenditure related to the direct furtherance of the company’s charitable objectives. All expenditure is accounted for on the accruals basis. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the company to the expenditure. The cost headings comprise expenditure directly attributable to the activity.

Direct costs comprise accommodation, teaching salaries and payments, examinations department costs, agents’ commissions, student social programme, teaching materials, student insurance and activities to widen access amongst disadvantaged groups.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. They are allocated directly to the company’s charitable activities following categorisation in accordance with the following table:

Category	Definition
Support staff	All non-direct employee costs, including employees managing teaching staff, including any bonus, redundancy and terminations payments, recruitment, training, and welfare costs.
Marketing and communications	Marketing and communications costs, excluding employee costs.
Establishment and Office	Facility expenditure (including rent, rates, and utilities), and stationery, phone, postage, and IT costs, excluding staff costs.
Finance, legal and professional	Finance costs including bank charges, merchant fees and VAT payable on agent commissions, current gains and losses, legal, surveyor and other professional fees. Employee costs are excluded.
Other expenses	Other costs including travel, hospitality, and subsistence, product development, subscriptions and any other costs not falling within another category.

Governance costs, included within support costs, relate to compliance with constitutional and statutory requirements and include an apportionment of the CEO’s and Finance Director’s employee costs, Trustees’ expenses, and audit fees.

f. Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably; this is normally upon notification of the interest paid or payable by the Bank.

g. Operating leases

Where title to the equipment remains with the lessor, rental charges are charged on a straight-line basis over the term of the lease.

Notes to the accounts

h. Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of the company. There are no restricted funds in the current or prior year.

i. Tangible fixed assets

Tangible fixed assets costing more than £1,000 used by the charity over a period of one year or more are capitalised:

- Freehold land is not depreciated.
- Freehold buildings are depreciated over 50 years.
- Leasehold improvements depreciated 298 months to end of the lease term.
- Fixtures, fittings, and furniture are depreciated over 10 years on a straight-line basis.
- Computers, video equipment, language laboratories and equipment are depreciated over 3 years on a straight-line basis.

j. Intangible fixed assets

Intangible fixed assets costing more than £1,000 used by the company over a period of one year or more are capitalised:

- Course development, website development and software are depreciated over 3 years on a straight-line basis.
- 'SchoolWorks', the school's main management information system is depreciated over 7 years on a straight-line basis, being an estimate of its expected use.

k. Cash at bank and in hand and short-term deposits

Cash at bank and cash in hand are funds available to the Charity. Other cash is categorised as short-term deposits.

l. Debtors

Trade debtors are amounts invoiced and unpaid. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Amounts invoiced but not yet due for payment are recognised as debtors.

m. Creditors

Creditors are recognised when there is an obligation at the balance sheet 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 are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payments where such discounting is material. Course fees in advance are treated as deferred income and are for amounts received, or due for receipt, but where all or part of the course has not yet been provided.

Notes to the accounts

n. Taxation

The company is a registered charity. It is not liable to income tax or corporation tax on income derived from its charitable activities.

As an educational body the company is exempt from charging value added tax (VAT) on its educational services. Where appropriate, expenditure is recorded inclusive of irrecoverable VAT.

o. Estimation uncertainty

In the application of the Charity's accounting policies, Trustees are required to make judgements, estimates, and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

p. Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans that are subsequently measured at amortised cost using the effective interest method.

Financial assets comprise debtors less prepayments. Financial liabilities comprise creditors.

q. Pensions

A defined contribution group personal pension (GPP) scheme operated through Scottish Widows is available to all permanent employees with three months' service. Until December 2023, the employer's contribution was equal to 3% of basic salary and the employee determines their contribution, subject to the minimum specified by auto-enrolment legislation. The employer's contributions were increased to 4% from January 2024. The Charity offers a salary sacrifice option and these contributions are included within the employer's pension scheme contributions. Employees who are not eligible for the GPP scheme are auto enrolled into 'The People Pension' in accordance with current employment legislation.

Notes to the accounts

2 Income from charitable activities

	2023	2022
	£'000	£'000
Adult Language Courses	5,864	4,880
Young Learners	2,825	1,670
Teacher training courses	1,688	1,528
Examination fees	4,243	3,562
Accommodation	2,159	1,363
	16,779	13,003

Other income of £236k predominantly comprises Social Activity and Meeting Room income.

3 Expenditure on charitable activities

	2023	2022
	£'000	£'000
Direct costs of teaching and examinations		
Adult Language courses	2,118	1,939
Young Learners	833	646
Teacher training courses	834	798
Examinations	2,612	2,105
Accommodation	2,901	1,690
Other direct costs	148	89
	9,446	7,267
Support costs (note 4)	6,620	5,588
	16,066	12,855

International House Trust Limited

Company 01239120

Year to 31 December 2023

**Notes to the accounts****4 Expenditure on support costs and governance**

	General Support	Governance	2023
	£'000	£'000	£'000
Staff, including teaching management	3,759	58	3,817
Marketing and communications	502	-	502
Establishment and office	1,122	-	1,122
Finance, legal and professional	213	45	258
Write offs and provisions	72	-	72
Depreciation and amortisation	481	-	481
Interest payable	211	-	211
Other expenditure	157	-	157
	6,517	103	6,620

	General Support	Governance	2022
	£'000	£'000	£'000
Staff	3,169	40	3,209
Marketing and communications	349	-	349
Establishment and office	1,010	-	1,010
Finance, legal and professional	126	32	158
Write offs and provisions	83	-	83
Depreciation and amortisation	519	-	519
Interest payable	128	-	128
Other expenditure	132	-	132
	5,516	72	5,588

5 Staff costs

	2023	2022
	£'000	£'000
Gross salaries	5,792	4,966
Social security costs	476	416
Employer's pension scheme contributions	133	118
	6,401	5,500
Self-employed and agency staff	631	424
	7,032	5,924

Notes to the accounts

5 Staff costs (continued)

The number of employees whose emoluments for the year (including taxable benefits but not employer's pension scheme contributions or national insurance) exceeded £60,000 was:

	2023	2022
	Number	Number
Employees earning between:		
£150,001 and £160,000	1	-
£130,001 and £140,000	-	1
£120,001 and £130,000	1	-
£110,001 and £120,000	-	1
£90,001 and £100,000	-	1
£80,001 and £90,000	1	-
£70,001 and £80,000	4	-
£60,001 and £70,000	1	1
	8	4

Employer's pension contributions of £14,365 (2022: £9,089) were made for the above employees.

The aggregate remuneration, including any applicable employer's national insurance, severance payments and employers pension scheme contributions for 'key management personnel', referred to as the Senior Management Team on page 1, was £764,467 (2022: £630,923).

The average headcount of employees analysed by function was:

	2023	2022
	Headcount	Headcount
Examinations	146	137
Teaching	147	141
Support	94	71
	387	349

During the year redundancy and termination payments of £nil (2022: £nil) were paid.

Notes to the accounts

6 Trustees' remuneration & related party transactions

The trustees neither received nor waived any emoluments during the year (2022: £nil). Five trustees (2022: five trustees) were reimbursed travelling expenses of £2,675 (2022: £2,422) during the year.

Samantha Grainger is a director of International House World Organisation Ltd (IHWO), a company which is 50% owned by International House Trust Ltd.

Monica Green holds a controlling interest in IH Torres Vedras language schools, which traded with IH London on standard commercial terms. Young Learners bookings totalling £9,065 were made in 2023. Monica Green is Executive Director of IHWO and in this capacity is paid by IHWO.

7 Operating leases

The charity has the following future minimum lease payments under non-cancellable operating leases for each of the following years:

	2023	2022
	£'000	£'000
Within one year	17	17
Between one year and five years	23	40
	40	57

Notes to the accounts

8 Tangible fixed assets

	Freehold land and buildings	Leasehold furniture, and Properties	Fittings, Equipment	Total
	£'000	£'000	£'000	£'000
Cost				
1 January 2023	15,700	913	2,600	19,213
Additions	-	-	114	114
Disposals	-	-	(239)	(239)
31 December 2023	15,700	913	2,475	19,088
Depreciation				
1 January 2023	5,079	567	2,378	8,024
Charge	320	24	86	430
Disposals	-	-	(239)	(239)
31 December 2023	5,399	591	2,225	8,215
Net book value				
31 December 2023	10,301	322	250	10,873
1 January 2023	10,621	346	222	11,189

The leasehold properties are an extension to the freehold building at 16 Stukeley Street and office accommodation at Shaftesbury Avenue. 'Freehold land and buildings' include £3m of non-depreciating freehold land. During 2023 there were disposals of computer equipment, donated for recycling.

Notes to the accounts

9 Intangible fixed assets

	SchoolWorks	Website	On-line	Software	Total
	£'000	£'000	Education	Licenses	£'000
	£'000	£'000	£'000	£'000	£'000
Cost					
1 January 2023	571	324	89	31	1,015
Additions	10	24	-	60	94
31 December 2023	581	348	89	91	1109
Depreciation					
1 January 2023	567	227	89	31	914
Charge	7	39	-	5	51
31 December 2023	574	266	89	36	965
Net book value					
31 December 2023	7	82	-	55	144
1 January 2023	4	97	-	-	101

International House Trust Limited

Company 01239120

Year to 31 December 2023

**Notes to the accounts****10 Investments**

	2023	2022
	£'000	£'000
International House World Organisation Ltd (at cost)	1	1

The company owns the Ordinary Trust Share representing 50% of the issued share capital with a book value of £500 and 1 Affiliate Share in International House World Organisation Ltd (IHWO). Decisions by IHWO in general meetings can only be made with the agreement of both classes of shareholder and consequently the Trustees do not consider that International House Trust exercises control over IHWO. The accounts are therefore not consolidated on the basis that the charity does not control the financial and operating policies of IHWO. Its registered address is Unity Wharf, 13 Mill Street, London, SE1 2BH.

A summary of the results of IHWO are given below:

	2023	2022
	£'000	£'000
Profit and loss account - IHWO Limited		
Turnover	779	737
Cost of sales	(176)	(173)
Gross profit	603	565
Administrative expenses	(567)	(529)
Other income and expenditure	5	(1)
Tax on profit	(8)	(22)
Profit for the year	33	12
Revaluation of tangible fixed assets, less tax	-	-
Total comprehensive income/(expenditure) for the year	33	12

	2023	2022
	£'000	£'000
Balance Sheet - IHWO Limited		
Fixed assets	557	559
Current assets	379	378
Creditors: amounts falling due within one year	(152)	(159)
Net current assets	784	778
Creditors: amounts falling due after one year	-	(27)
Provisions for liabilities	(65)	(65)
Net assets	719	686

International House Trust Ltd: 50% of shareholders' equity	360	343
--	------------	-----

During the year the Trust made payments to IHWO of £26,164 (2022: £21,986) on normal commercial terms. No payments (2022: £Nil) were made by IHWO to the Trust.

International House Trust Limited

Company 01239120

Year to 31 December 2023

**Notes to the accounts****11 Debtors**

	2023	2022
	£'000	£'000
Trade debtors	1,607	1,934
Other debtors	996	593
Prepayments	747	407
Staff loans and advances	3	3
	3,353	2,937

12 Creditors: amounts falling due within one year

	2023	2022
	£'000	£'000
Loans repayable within one year	617	637
Trade creditors	1,216	1,401
Accruals	1,547	1,293
Taxation and social security	144	117
Deferred income: Course fees in advance	3,591	3,558
Other creditors	38	36
	7,153	7,042

Deferred Income

Opening Balance 1 January 2023	3,558	2,319
Released during the year	(3,477)	(2,292)
Newly Deferred	3,510	3,531
Closing Balance 31 December 2023	3,591	3,558

Income is deferred for courses booked in advance.

13 Creditors: amounts falling due after more than one year

	2023	2022
	£'000	£'000
Loan repayable within two to five years	1,460	1,890
Loan repayable in more than five years	724	884
Creditors: amounts falling due after more than one year	2,184	2,774

In February 2017 the Trust took out loan, over 15 years, with Lloyds Bank PLC. This loan is secured by a fixed charge on the freehold land and building at 16 Stukeley Street. The interest rate is the

Notes to the accounts

Bank of England base rate plus 2.50%. Repayments of £139,462 (2022: £155,854) were made during the year.

A CBILS loan of £2,350,000 was availed from Lloyds in July 2020 at an interest rate of 1.92% plus base rate and is secured against Stukeley Street premises. This is repayable over five years from July 2020, with no repayments in the first year and the interest was met by the government. Repayments of £470,000 (2022: £470,000) were made during the year.

14 Net income for the year

This is stated after charging:

	2023	2022
	£'000	£'000
Depreciation	482	519
Auditor's remuneration:		
Audit fees	36	23
Non-Audit fees	3	2
Leasehold property rent	204	206
Operating leases equipment	17	17
Interest payable	211	128

Notes to the accounts

15 Analysis of net funds/(debt)

	1 Jan 2023	Cashflow	Non-cash changes	31 Dec 2023
	£'000	£'000	£'000	£'000
Loans falling due within one year	(637)	610	(590)	(617)
Loans falling due after one year	(2,774)	-	590	(2,184)
	(3,411)	610	-	(2,801)
Cash at bank and in hand	2,746	332	-	3,078
	(665)	942	-	277

	1 Jan 2022	Cashflow	Non-cash changes	31 Dec 2022
	£'000	£'000	£'000	£'000
Loans falling due within one year	(632)	625	(630)	(637)
Loans falling due after one year	(3,404)	-	630	(2,774)
	(4,036)	625	-	(3,411)
Cash at bank and in hand	1,348	1,398	-	2,746
	(2,688)	2,023	-	(665)

16 Share capital

The company is limited by guarantee and does not have share capital. Members are not entitled to any dividends or to a share in the assets on dissolution. Each member undertakes to contribute up to a maximum sum of £1 on winding up. Each member has one vote. There were 9 members as at 31 December 2023 (2022: 13).

17 Ultimate controlling party

The charitable company is under the ultimate control of the Board of Trustees.

18 Capital commitments

At 31 December 2023 no capital commitments had been authorised, no commitments had been contracted (2022: £94,651).

INTERNATIONAL HOUSE TRUST LIMITED

England & Wales - Charity number 270860

Accounts



International House
London





Trustees' Report and Financial Statements

31 December 2022

International House Trust Ltd
A company limited by guarantee (01239120)
Registered Charity (270860)

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International House Trust Ltd

Annual Report and Accounts year to 31 December 2022

Company 01239120

Reference information**Board of Trustees**

Phil Huggon - Chair
Adrian Underhill - Vice Chair (resigned 7 April 2022)
Elizabeth McGlynn (resigned 15 December 2022)
Gareth Hughes
Julie Wallis
Keith Davies (resigned 30 September 2022)
Maxwell Nye
Monica Green
Ricard Alonso Ferre
Roy Cross
Tita Beaven
Tomasz Mazgaj
Isabel Di Vanna (appointed 15 November 2022)
Samantha Grainger (appointed 15 November 2022)
Vicenzo Raimo (appointed 15 November 2022)
Shantanu Bhagwat (appointed 15 November 2022)

Senior Leadership Team

Mark Rendell (Chief Executive)
Arif Kaji (Director of Finance)
Lawrence Jackson (Director of Sales and Marketing)
Caroline Turner (Director of Operations)
Jason White (Director of Examinations)
Elizabeth Arbuthnott (Director of Young Learner Programmes)
Dawn Pike (Director of People and Culture)

Registered office

16 Stukeley Street, Covent Garden London, WC2B 5LQ

Websitewww.ihlondon.com**Company registration number**

01239120, incorporated on 2 January 1976 (England and Wales)

Charity registration number

270860

VAT registration

GB 1061 801 56

Auditors

Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG

Bankers

Lloyds Bank, 39 Threadneedle Street, London, EC2R 8AU
Allied Irish Bank (UK) PLC, 10 Berkeley Square, London W1J 6AA
World First UK Ltd, 21-24 Millbank, London SW1P 4QP
Barclays Bank PLC, 1 Churchill Place, Leicester, LE87 2BB

Solicitors

Russell-Cooke, 2 Putney Hill, London SW15 6AB

International House Trust Ltd

Annual Report and Accounts year to 31 December 2022
Company 01239120

Chair's Report

Trading recovery during 2022 was tempered somewhat by continued COVID restrictions which was still evident in Q1 through the UK Government's international travel traffic light system, which was often subject to confusion and open to interpretation. All UK travel restrictions were removed in early Q2 2022. That said, 2022 saw the recovery from the pandemic accelerate and gather pace at an encouraging rate from Q2, just in time for the organisation's peak summer trading.

This recovery was on the backdrop of some key international countries, notably China, continuing their own COVID restrictions, and whose removal of international travel restrictions were slower and prolonged.

IH London relies heavily on international travel, and the complete removal of UK travel restrictions in early Q2 2022 provided much needed clarity to overseas students. The complete removal of all UK travel restrictions, combined with pent up demand for international travel from 2 years of COVID restrictions helped IH London to fulfill demand and fill capacity. Whilst online courses were still available, there was a notable increase in and preference for face-to-face courses.

Despite the continued impact of COVID restrictions through Q1 2022, IH London generated revenues of £13.0m, an increase of £4.1m (47.8%) compared to 2021, which was heavily impacted by COVID restrictions. The pace of the recovery so soon after the complete removal of UK international travel restrictions cannot be underestimated. The retention of key members of staff during the 2 years of COVID restrictions, together with the development of revenue growth and Profit Improvement Programme in H2 2021 allowed IH London to quickly readapt its business model and take advantage of ensuing favorable business opportunities.

IH London generated a surplus of £0.3m during 2022, after 2 consecutive years of deficits [2021: £(1.4)m and 2020: £(1.9)m]; a notable turnaround of £1.7m from 2021.

The organization had initiated the furlough and CBILS loans scheme to provide much needed working capital and cash flow injection, thereby helping the organization to address the challenges posed by the pandemic, and ensuing trading deficits. The total outstanding loans at the end of December 2022 stood at £3.4M (2021: £4.0M), a reduction of £0.6M. In addition, IH London generated a cash surplus of £1.4M during 2022 driven by encouraging trading conditions.

The Board and Committees are regularly furnished with trading updates, financial performance, and liquidity, enabling the organisation to take necessary and timely actions and remain a going concern.

IH London has demonstrated strong resilience through economic turbulence and unpredictable challenges from Brexit, COVID restrictions, to the cost-of-living crises. The agility and flexibility of its business model, combined with the strong brand, image, and undoubted quality of its products and services has enabled the organization to successfully navigate those challenges.

One year post the complete lifting of pandemic travel restrictions, whilst the cost-of-living crises in the UK continues to be higher than most G7 countries, we are confident the organisation is well positioned and structured to deliver growth to pre pandemic levels. The excellent start to 2023 trading is a further

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Chair's Report

testament, with an encouraging sales pipeline, and a near full quota for the busy summer period.

Additionally, we delivered across the board in terms of industry rankings including International House London being awarded strengths in 13 of the 15 categories in the British Council UK Accreditation inspection, The joint EAQUALS and IHWO inspection also provided many compliments about our work.

I would like to extend my gratitude to the Board of Trustees for the time, support, and invaluable contribution they have provided to IH London. I would also like to express my thanks to our Chief Executive Officer, Mark Rendell and the Senior Leadership Team, and indeed all the staff and colleagues who through their hard work, commitment and loyalty, helped the organisation to continue its operations through the challenging pandemic years. This has allowed the organisation to come through the pandemic in a strong position that will allow it to continue its path to recovery and deliver further growth.



Philip Huggon
Chair of the Board of Trustees

Date: 22 September 2023

International House Trust Ltd

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CEO Report

2022 marked a turning point for IH London and a firm return to growth following the extreme challenges faced over the Covid years of 2020-2021. Our organisation came through the pandemic relatively strongly compared to the rest of the industry due to its stable leadership, differentiated product portfolio, the efficiency measures taken, agility in embracing digital solutions and the retention of key personnel and intellectual capital.

IH London also worked hard at maintaining its overseas partner network and successfully reinforced its reputation for reliability and resilience. The confidence and trust in the well-known brand have been evidenced by the strong demand for our programmes since travel has reopened as people all over the world have sought to catch up on the couple of lost years.

The organisation continued to face difficult challenges that included Russia's invasion of Ukraine, the effects of Brexit on some European markets including the loss of Erasmus, a shortage of skilled labour, reduction in aid budgets, continued Covid outbreaks and countermeasures at the start of the year and in the summer and the ongoing closure of China which lasted until the final quarter of the year.

However, despite the challenges, momentum built strongly through the year and the organisation was achieving language course booking rates that were in line with the last normal year of trading in 2019, by the end of the year. The organisation also benefitted from a full peak summer season (the first in three years) and ran two summer camps for juniors in Frensham and Oxford. We also ran teacher development projects with partners from Vietnam, Nigeria, Mongolia, and Kuwait and delivered a hugely impressive hybrid teacher training conference,

It was very pleasing to note that despite the disruption our quality standards have remained very high, and we achieved outstanding recognition in our British Council and IHWO/EAQUALS inspections.

I would like to pay tribute to my senior leadership team and the board of trustees who are all so passionate and committed to the organisation and so motivated by the life-enriching social benefits and services that we provide to so many people from around the world. Under the chair, Phil Huggon, the board has played a highly supportive and constructive role and is well aligned with the ethos and vision of the organisation.

I'd also like to thank our loyal staff at IH London who have helped us to navigate safely through two very hard years. It cannot be underestimated how demanding it has been to suddenly have to learn new digital skills and fight for our future only to face cost of living pressures and a threat to global security in the aftermath. Everybody has pulled together so well, and it is important to recognise that we have many talented, knowledgeable, and dedicated team members.

IH London may have an illustrious past, but the future is also very bright and there are exciting times ahead. We are working hard to continue to improve the quality and nature of the IH educational and workplace experience for our students and staff, and we have many ambitious plans to strengthen our business model which should enable us to further invest and innovate in our systems, facilities, services, and programmes. Digital development will help drive many of these changes and is a significant area for further investment.

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CEO Report

The journey that we have embarked upon will ultimately deliver sustainable growth and ensure that IH London remains a leader in the fields of language teaching, teacher training, and examinations.

Mark Rendell

Mark Rendell
Chief Executive Officer

Date: 22 September 2023

International House Trust Ltd

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Trustees' Report

Introduction

International House (IH) was founded in 1953 in Cordoba, Spain by John and Brita Haycraft and is now one of the world's largest and best-known groups of language schools. IH schools teach over 200,000 students every year and employ over 5,800 teachers.

The London school opened in 1957 in Covent Garden and became an Educational Trust in 1974. IH London is also known as International House Trust Limited. IH London has a major share in the London based International House World Organisation (IHWO) which is the body that was established to oversee the network of globally affiliated language schools located in 45 countries spanning every continent and to manage the IH brand.

Founders, John, and Brita had the goal of using language learning as a tool to help bring the world back together following the ravages of the second world war. They were also committed to raising the standards of English language teaching and training worldwide and created the forerunner of the industry leading CELTA teacher training qualification.

Schools in the network teach English, Spanish, German, French, Japanese, Arabic, and a wide variety of other languages to adults and young learners. Across the network, IH schools train about half of all CELTA graduates in the world. IH London also specialises in the delivery of examinations including IELTS.

Our Areas of Expertise

International House London is a world leader in language teaching, training, and testing. Our activity in the UK is primarily in the field of educational tourism.

We believe that by delivering quality language and communication training, we act as a force for change, bringing people together, enhancing mutual understanding and tolerance, and unlocking human potential.

Our educational portfolio of face to face and online learning includes:

- English language teaching for students aged over 16 years of age during the daytime and in the evening. This includes general English, IELTS and the Cambridge main suite of exam courses: Students travel from overseas and take courses for periods of one week to up to a year.
- Specialist communications training for professionals aged over 21 in our dedicated Executive Centre and online.
- English language teaching with activities and specialist subjects for under 18s in London, at other seasonal locations around the country, online and overseas on demand.
- Teacher training for CELTA and DELTA candidates online and in London, a range of shorter specialised courses for language trainers, and numerous projects overseas.
- Foreign languages for residents of London and elsewhere online. IH London delivers courses for over 11 languages.
- The delivery of exams from the London centre and in locations around the UK, Israel, and Nigeria. Exams include: IELTS, IELTS, SELT and OET.

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Trustees' Report

Our Covent Garden School

Our large school is located in the popular and vibrant Covent Garden area in Central London. Our modern air- conditioned school has nine floors with a large library, cafe, computer centre, comfortable social spaces, reception, and fully equipped large bright classrooms.

What makes International House London stand out?

- We are an educational trust and a not-for-profit organisation.
- We are a well-known and trusted brand built up over 60 years of innovation and industry leadership. We created the first teacher training courses (the forerunner to today's CELTA). We operate globally and have delivered programmes in many countries. International House World is the central membership office for a network of 133 private language schools located in over 45 countries.
- We have a high degree of academic integrity and authority. Most of our teachers are diploma-qualified, many of our teachers have been published and we have trained a high percentage of today's EFL teachers. We also develop our expertise through hosting and attending industry workshops and conferences.
- We have a very experienced and professional team, and we aim to attract and retain the best talent in the industry. We offer our academic staff a wide range of professional development and industry opportunities.
- We achieved 13/15 strengths in our British Council inspection, and we also hold accreditations by the Independent Schools Inspectorate and EAQUALS. IHWO is our fourth accrediting body.
- We offer the most complete range of language services available in the market in the UK today and have the largest market share in teacher training and the IELTS examination.
- We are situated in one of the largest English language centres in the UK, located in the famous of Covent Garden, in the cultural heart of London.
- We are innovators. We pioneered the CELTA qualification, are the only school to offer the Distance Delta in partnership with the British Council, we were the first school in London to offer face to face OET preparation courses for medical English and we were the first to market our school in virtual reality (VR).

Funding and Donations

The Trust does not actively solicit donations directly from the public nor uses third parties for fundraising: Therefore, it is not registered with the Fundraising Regulator and does not subscribe to any fundraising codes of practice. If donations from individuals or trusts and foundations were to be received, the Trust would ensure personal data is appropriately protected. The Trust received no complaints within the year regarding fundraising.

Trustees' Report

Strategic Report

Strategic Goals

International House London embarked on a three-year strategy in 2019 with five key goals. The key goals, aims and progress are outlined below:

Strategic Goal	Aims	Progress / Outcome
1. Become a sustainable organisation	To generate a sustainable surplus to allow the school to continue to invest in and fulfil its charitable purpose. To ensure this, we will grow a differentiated but focused product portfolio and reduce our dependency on single sales channels, geographical location, markets, and products. We will encourage innovation, address the needs of our students, focus on organic and inorganic sales growth, look to increase lifetime value, and improve margins.	<ul style="list-style-type: none"> • The organisation has faced unprecedented and unpredictable challenges from Brexit, followed by the impact of COVID in 2020 and 2021 with trading difficulties through the imposition of lockdowns and travel restriction and latterly by cost-of-living crises. • We have been able to navigate through 2 years of COVID by quickly adapting our business model from face-to-face teaching to online. • A good percentage of our core business was retained during the 2 years of COVID, allowing the organisation to record deficits that were less than they could have been [2020: £(1.9)m, 2021: £(1.4m)]. • Post COVID, the organisation realigned its operations, and delivered a surplus of £0.3m in 2022. The organisation is now on the path to deliver sustainable growth continuing the upward trajectory in 2022 into 2023.
2. To be the employer of choice	We have a loyal and committed staff who are leaders within the industry. We will strive to attract and retain the most talented personnel in the industry giving them the tools to succeed. We will	<ul style="list-style-type: none"> • We have retained key staff possessing the right blend of skills, experience and sector knowledge allowing the organisation to quickly adapt its business model during and

Trustees' Report

Strategic Goal	Aims	Progress / Outcome
	look to create a flexible, engaging and rewarding working environment with lifelong learning and improvement at the heart.	<p>post COVID. This has proved very fruitful evidenced by the excellent trading recovery in 2022.</p> <ul style="list-style-type: none"> • Brexit continues and will for the foreseeable future have an impact of staff availability especially for our junior camps during the summer.
3. Deliver outstanding service and performance	We recognise that we are a service industry operating in the educational tourism sector. Customer service and the student experience are key differentiators, and we will focus on providing tangible outputs for our learners.	<ul style="list-style-type: none"> • IH London continues to retain excellent presence in the marketplace. • IH London maintains high levels of customer satisfaction ratings. • The quick return of customers to IH London post removal of COVID restrictions is testament to the excellent standing the organisation continues to hold.
4. Innovate and offer new benefits	Since IH London's launch of the forerunner to the CELTA qualification we have been innovators and we will continue to innovate and embrace new ideas and technologies.	<ul style="list-style-type: none"> • Development of Teacher Portal, launched in May 2023.
5. Widen our accessibility and reach	We are confident in the quality of our language services. We want to break barriers and open new frontiers to bring our services to more people around the world. This will be achieved through technological advances and delivering our programmes in new markets.	<ul style="list-style-type: none"> • Introduction of online learning at the commencement of COVID restrictions has enabled the organisation to tap into new markets and territories. • Sales focus on new territories is leading to encouraging revenue conversion.

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Trustees' Report

Senior Leadership Team

The Senior Management remained largely unchanged in 2022.

Mark Rendell, our high-profile CEO, joined IH London in January 2019. Mark is also Chair of English UK, he is a member of the Accreditation UK Executive Board, a member of the Cambridge Assessment Standards Committee and is a director on the IHWO Board.

Vimala Jayaraman was the Director of Finance, who left in February 2023, replaced by our new Director of Finance, **Arif Kaji**.

Lawrence Jackson is the Director of Sales and Marketing.

Ellie Maly was the Director of Operations until October 2022, replaced by our new Director of Operations, **Caroline Turner**.

Eve Truszkowska was the Director of Examinations, who left in October 2022, replaced by our new Director of Examinations, **Jason White**.

Alex Can was the Director of Young Learner Programmes, who left in September 2022, replaced by our new Director of Young Learner Programmes, **Elizabeth Arbuthnott**.

Dawn Pike is the Director of People and Culture.

Financial Review

2022 saw the start of the recovery from the two severely disrupted trading years due to the pandemic. Whilst Q1 continued to be impacted by the UK Government's international travel traffic light system, the complete removal of these restrictions gave much needed clarity and boost to the general economic outlook and our financial prospects. We began to see a headstrong improvement from the second quarter of 2022, just in time for our peak summer trading.

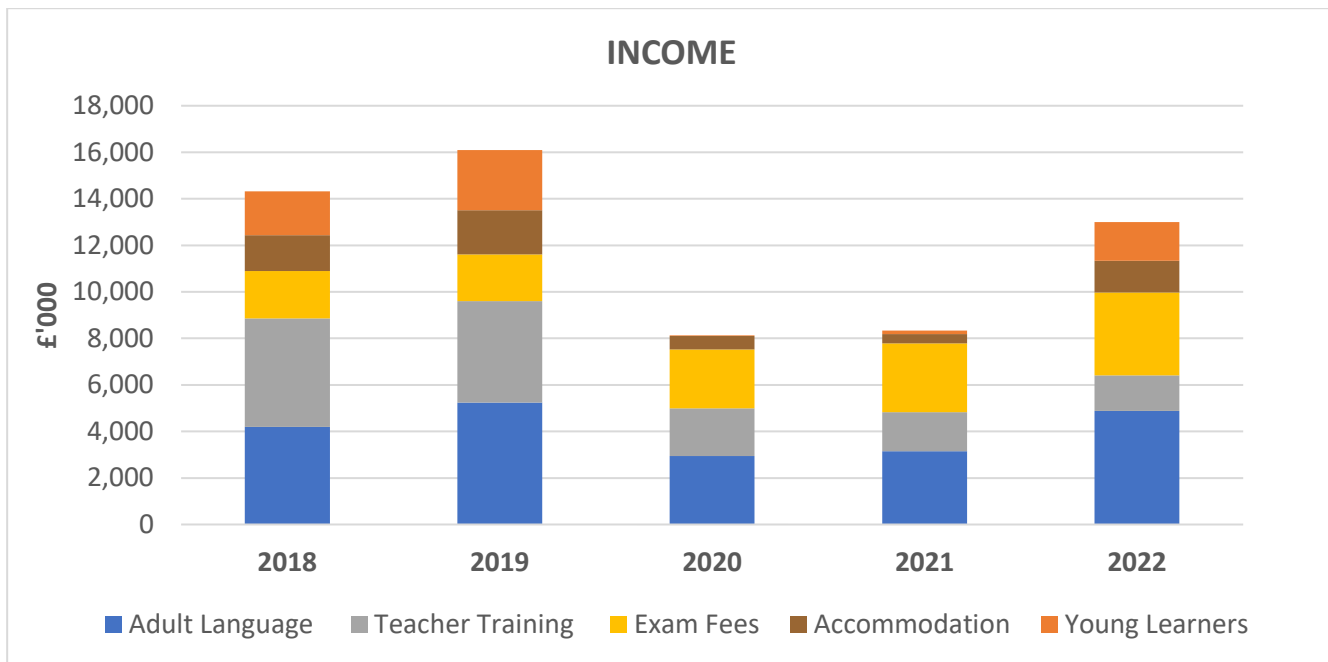
2022 delivered a significant improvement in revenues from 2021, driven by pent up demand for international travel due to the pandemic, finishing the year at £13.0m (2021: £8.9m). The upward income growth trajectory has continued into 2023.

The revenue growth reflects a quick and strong turnaround from the pandemic hit years of 2020 and 2021, particularly reflected in our Young Learners programme which delivered a full suite of activities for the first time since COVID restrictions were imposed.

Except for Teacher Training, most of the divisions retained the prior year's upward income trend as the Trust continued to deliver online courses combined with the reintroduction (from lifting of all pandemic restrictions), and strong preferential for face-to-face teaching. Teacher Training revenues saw a modest fall of 9% compared to 2021 driven mainly by the withdrawal of the Erasmus+ funding.

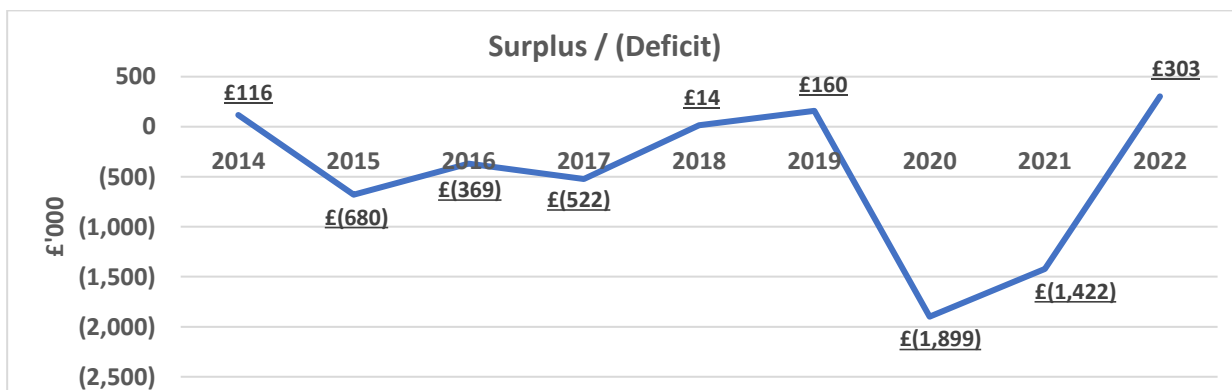
Trustees' Report

The graph below illustrates the organisations strong revenue recovery in 2022.



The organization initiated a Profit Improvement Programme in the second half of 2021. This included restructuring the fixed cost base, contract renegotiations, value for money assessments, gross-margin improvements, and optimising procurement opportunities. These delivered a cost base reduction, including sustainable savings. The approach allowed the organisation to initiate a revenue recovery plan, ahead of removal of all travel restrictions in 2022 as well as deliver cost efficiencies.

The step recovery of EBITDA from H2 2021 reduced deficit by £0.5m from 2020 to 2021 and a further £1.7m from 2021 to 2022, through a combination of revenue growth and cost efficiencies. We expect the recovery to be sustained through 2023 driven by further income growth (2022 recovery commenced from Q2) and continued focus on cost management.



Expenditure for the year on charitable activities was £12,855k (2021: £10,332k). Net expenditure was £303k [2021: £(1,422k)], an improvement of £1,725k.

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The Trust availed £2,350k against the Coronavirus Business Interruption Loan Scheme (CBILS) in July 2020. This was in addition to the Term loan availed in 2018.

Total repayment on both loans resulted in a reduction of £626k (2021: £356k), reducing the total secured loan to £3,411k as at 31 December 2022 (2021: £4,036k). The loan is secured on the property at 16 Stukeley Street and is repayable over the next 10 years (2021: 11 years).

The Trust finished the year with cash of £2,746k (2021: £1,348k) without recourse to an overdraft and a considerable fixed asset.

Public Benefit

In reviewing the charity's aims, and putting them into action, the trustees have taken account of the Charity Commission's guidance on public benefit.

The Trust provides services for the advancement of education, a charitable purpose recognised by the Charity Commission. Whilst the Trust is required to charge for its services to fund their provision, it also offers programmes at low cost. In addition, the Trust also delivers professional development of language teachers to raise language teaching standards worldwide.

We have historically provided a substantial programme of lessons at a nominal cost both in English as a Foreign Language and in Modern Languages to disadvantaged people in London, widening access to those who might not be able to afford the full cost of such courses. These courses have been accessible to all citizens and provided by supervised trainee teachers on initial teacher training courses or by experienced teachers taking a more advanced training course, usually the Cambridge DELTA. Those benefiting include unemployed people, recent migrants, refugees, and others who can demonstrate their need. These programmes had to be postponed due to the onset of the pandemic.

The Trust also supports Refuaid, an organisation that helps refugees, and Crisis, an organisation that helps the homeless. Support includes free general English, exam preparation, and subsidised teacher training programmes.

The Trust continues to operate in alignment with the objects in its Memorandum and providing courses in English and other languages, teacher training and professional development programmes, and language testing services.

We hosted the annual teacher training conference which attracts an international audience focusing on professional development for teacher trainers and the improvement of language teaching standards. Around 150 trainees shared their expertise and ideas at this hybrid event.

IH London is also very actively engaged in helping to raise standards within the English Language teaching industry (ELT). Several teachers have been published and our teachers regularly deliver free workshops at leading industry events. Our CEO is Chair of the national trade association (English UK) that represents ELT in the UK and is a member of the Accreditation UK inspection scheme board.

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Trustees' Report

The Social Value Committee which reports to the Board continuously provides oversight of the activities and initiatives of the organisation that bring public benefit and monitors social and environmental impact. During 2021, the organisation embarked on B-Corp implementation to further the social impact of International House. In May 2022, we exceeded the scoring requirements for the certification. Although the certification cannot be applied as a Charity, it has been instrumental in driving the social value agenda of the Committee.

International House World Organisation

International House Trust Limited holds 50% of the authorised share capital (plus one affiliate share) of International House World Organisation Limited (IHWO), a company serving the international affiliate network of over 133 centres in 45 countries. IHWO sets quality standards for its affiliates, currently branded as the 'IH Charter' and regularly inspects the Trust to monitor the school's compliance. Further details about the IHWO network are provided on their website, www.ihworld.com.

Accreditation and Professional Memberships

IH London places great importance on the quality of its teaching, training and other related services that are provided through its schools.

As a result, it has several accreditations and memberships that help ensure quality is maintained and, where possible, improved. The Trust's key accreditations and memberships are:

- *Independent Schools Inspectorate (ISI)* – ISI run a government approved quality assurance scheme called *Educational Oversight* that accredits independent schools which allows them to issue Tier 4 student visas. As a result, the Trust holds a highly Trusted Sponsor license, (SBY3ENNAS), issued by the UK Visa and Immigration Authority.
- *Eaquals (Evaluation and Accreditation of Quality in Languages Services)*, is an international accreditation scheme for quality language providers. The Scheme provides an inspection and membership service.
- *Accreditation UK* - the accreditation scheme jointly run by the British Council and English UK is the leading quality assurance in the UK for the ELT sector. Both the School and the Young Learners division are inspected at least every four years.
- *English UK* - the Trust is a member of the professional body that represents the accredited English language teaching and language training sector.
- *Cambridge Assessment* - for Cambridge teacher training and examinations. IH London is also a British Council approved IELTS Centre for both the standard IELTS and the secure (SELT) IELTS.
- *International Association of Teachers of English as a Foreign Language (IATEFL)* - is an association for teachers, lecturers, teacher trainers, academic managers: researchers, and institutions involved in English Language Teaching (ELT) with a mission to link, develop and support English Language Teaching professionals worldwide.

Trustees' Report

Risk Management

The Trust has a comprehensive risk management policy which was in 2021 strengthened further through the Governance Framework. The Finance, General Purpose, Risk and Audit Committee scrutinises the risk register and risk mitigations, prepared by the senior leadership team, before recommending it to the Board. The risk register is reviewed monthly by the senior leadership team and every quarter alternating between the Committee and the Board. The current primary risks identified by the Board are:

Primary Risks	Mitigations
<p>Geopolitical tensions / Political changes key markets</p> <p>Countries falling into conflicts with their neighbours or the UK, leading to a fall in student numbers.</p> <p>Change in key target country policies resulting in loss of revenue. For example, war between Russia and Ukraine.</p> <p>China: Geopolitical tensions over Hong Kong.</p>	<ul style="list-style-type: none"> • Monitor global affairs closely. • Develop and maintain close relationships with key partners across the globe. • Education and Assessments has a good geographical spread of markets. • Ensure the organisation is agile to change the legal structure to adapt and continue to service under new policies compliant with regulatory changes. • Retain a sales office in Shanghai and other major territories to maintain visibility and good communications. Ensure the school is not over dependent on any single nation or region.
<p>Brexit</p> <p>Reputational damage in Europe.</p> <p>Loss of work rights for EU nationals (students and staff).</p>	<ul style="list-style-type: none"> • Membership and representation through English UK to champion UK ELT. • Focus sales on new markets in diverse locations around the world. • From January 2021, students no longer require a study visa to learn English for up to six months. Standard tourist visa is sufficient
<p>Recession/Inflation/Adverse forex impact</p> <p>Cost of living crises significantly adversely impacting the cost base, diluting margins. The threat of recession, upward trajectory in Bank Base rates further squeezing household net disposable income, reduced business</p>	<ul style="list-style-type: none"> • Tendering for all new contracts at the end of contract terms. • Continuous review of cost base, ensuring value for money assessments to optimize margins.

Trustees' Report

Primary Risks	Mitigations
<p>confidence, increase in unemployment curtailing spending and investments by individuals and companies.</p>	<ul style="list-style-type: none"> • Diversify into new territories and markets, development of new products and services and diversifying revenue streams. • Tender for public sector contracts and develop subscription model. • Promote languages as a tool that helps individuals improve their employability. Promote teacher training as an option for alternative career prospects. • Forward exchange contracts.
<p>Cybercrime and associated liability</p> <p>Key data is hacked leading to loss of business intelligence, personal information, and potential financial penalties.</p> <p>Reputational damage.</p>	<ul style="list-style-type: none"> • Cyber insurance cover. • Preventative measures: staff training, up to date firewalls and anti-virus protection, regular checks and audit of all IT equipment and infrastructure, penetration testing, regular system back-up. • Develop disaster recovery strategy. • Develop data retention policy. • Initiate compliance assessments for data protection, GDPR and regulatory compliance, and regular compliance audits.
<p>Loss of accreditation</p> <p>Loss of ISI would mean school cannot issue Tier 4 visas.</p> <p>Loss of accreditation UK status would mean the school could not trade.</p>	<ul style="list-style-type: none"> • Maintain high quality levels through sufficient staffing, training, and resources. • Regularly review the accreditations criteria and conduct mock inspections.
<p>Loss of key staff</p>	<ul style="list-style-type: none"> • Initiate succession planning across all departments. • Ensure all new staff receive an induction. • Ensure job descriptions and interview process for new recruits identifies good fit for the organization, following value proposition of

Trustees' Report

Primary Risks	Mitigations
	<p>the organization.</p> <ul style="list-style-type: none">• Adequate training programmes for professional staff development.• Initiate competitive but affordable employee benefits programme.

Through careful planning, the Board carefully reviews and mitigates these risks, which could lead to a combination of reputational, brand image, and financial damage through adverse demand for the Trust's products and services if not managed.

Management has implemented several initiatives to sustain and improve ongoing revenue conversion whilst managing the cost base. A profit improvement program was launched in H2 2021 which included enhanced procurement, streamlining processes and continuous cost base reviews to ensure value for money, the positive impact of which is visible in the trading results in 2022.

During the pandemic, The Trust secured a CBILS loan (in July 2020) for which repayments and interest commitments commenced in 2021. Management has taken several strategic actions to improve working capital and liquidity including renegotiating contracts, managing working capital outgoings, and reducing the net cash burn each month. These are presented to the Trustees monthly with the trading update. The cash balance continues to be adequately above the gross and net cash burn rate. The surplus cash position at the end of 2022 is being assessed for strategic investment opportunities which will widen and enhance the organisation's revenue streams, increase customer experience, and further improve its brand image and reputation for excellence.

The Trustees have reviewed the Trust's expected future cash flows and have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the charity's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Reserves

Cash generated which is surplus to reserve requirements will be applied to making improvements to the Trust's facilities and investing in further charitable activities.

The Trust's reserves are constituted wholly by unrestricted funds. As of 31 December 2022, the reserves stood at £7,157k (2021: £6,854k); an increase of £303k resulting from the year's trading surplus. With the return of better trading conditions post pandemic, and strategic options to increase capacity to deliver a wider product portfolio and increased customer experience, the Trust will pursue a policy of maintaining and where possible increasing the reserves to support the Trust's ongoing activities. The Trust will review its reserves policy.

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The Trustees maintain a planned level of cash and short-term deposits, taking account of:

- The Trust's charitable purposes.
- Operational and financial risks and seasonal fluctuations.
- Cash which may be needed for future developments.

The underlying free reserves of the company stood at £nil at 31 December 2022 (2021: £nil). The Trustees consider that the current levels of free reserves and cash are adequate, given that:

- Most of the income is received in advance of courses starting, which provides the Trust with a strong cash flow.
- The Trust has a history of generating trading surpluses as well as cash inflows from its activities.

The Trust maintains its short-term deposits divided between banks to obtain the best risk-free market return.

Structure, Governance and Management

The company is governed by its Memorandum and Articles of Association adopted on 2 January 1976 and last amended on 28 September 2009.

International House Trust Limited (the 'Trust'), trades as 'IH London' and at three residential Young Learner Centres, which trade as 'IH Edinburgh', 'IH Frensham', and 'IH Oxford'.

There must be at least seven but no more than 15 Trustees. All Trustees are also the members of the company: the guarantee for each member is limited to £1. Trustees serve for a term of four years and may be appointed to serve for one further term (or in the case of a Chair or former Chair two further terms).

Trustees are recruited by advertisement and by the personal recommendation of existing Trustees and are interviewed by the People and Culture Committee. Candidates are appointed by a resolution passed by the Board. New Trustees are provided with an induction programme and ongoing training is arranged as needed for all Trustees.

The Board of Trustees met four times in 2022 for four Board Meetings. Major strategic decisions are reserved for the Board, including approval of the budget, capital programmes and senior appointments.

The Board of Trustees delegates day-to-day responsibilities for management to the senior leadership team, led by the Chief Executive. The Board oversees how this delegation is being managed by the reporting of regular financial, sales and key management activities to Board Committees, and, where appropriate, to the Board.

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Trustees' Report

Trustee	Committee Membership
Phil Huggon	> Chair of the Board of Trustees > Finance, General Purposes, Audit and Risk Committee > People and Culture Committee
Monica Green	> Finance, General Purposes, Audit and Risk Committee
Ricard Alonso Ferre	> Finance, General Purposes, Audit and Risk Committee
Elizabeth McGlynn	Resigned December 2022 > Finance, General Purposes, Audit and Risk Committee
Tita Beavan	> People and Culture Committee (Chair until May 2022) > Social Value Committee
Keith Davies	Resigned September 2022
Adrian Underhill	Resigned April 2022 > People and Culture Committee > Social Value Committee
Tomasz Mazgai	
Maxwell Nye	> Social Value Committee (Chair)
Gareth Hughes	> Finance, General Purposes, Audit and Risk Committee (Chair until December 2022) > People and Culture Committee (Chair from May 2022)
Roy Cross	> Social Value Committee
Julie Wallis	> Social Value Committee
Isabel Di Vanna	Appointed November 2022
Samantha Grainger	Appointed November 2022 > Finance, General Purposes, Audit and Risk Committee (from January 2023)
Vincenzo Raimo	Appointed November 2022
Shantanu Bhagwat	Appointed November 2022 > Finance, General Purposes, Audit and Risk Committee (Chair from January 2023)

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Trustees' Report

Board Committees

The **Finance, General Purposes, Audit and Risk Committee** (which met four times in 2022) is responsible for advising the Board on matters such as the school's business and financial performance, loan servicing, capital expenditure and issues relating to property, monitoring the management of the risks facing the Trust and reviewing the annual financial statements as well as a general remit to prepare issues for presentation to the Board.

The **Social Value Committee** (which met four times in 2022) is responsible for developing the company's wider social access agenda.

The **People and Culture Committee**, previously known as Human Resources Committee (which met four times in 2022) is responsible for reviewing the composition and governance of the Board, recruiting, and recommending prospective Trustees to the Board for appointment, and for developing policies for managing trustee rotation. Additionally, the Committee is responsible for reviewing and agreeing remuneration policies for all staff. The Committee is also responsible for reviewing and agreeing remuneration policies for senior management, the Trust's key management personnel, for which it has been given delegated authority. The emolument for key management personnel is generally benchmarked and based on remuneration to attract the relevant seniority and skills and/or comparable remuneration in the sector.

Employee Engagement:

IH London introduced a monthly All Staff Meeting, in response to feedback received in the annual employee engagement survey. The agenda for this meeting includes standing items on updates on revenue, strategic initiatives, and progress against annual financial targets. Additionally, there are updates on specific projects, as well as items for discussion raised by staff in the meeting. IH London have introduced a staff suggestions box and the responses are shared in the weekly newsletter. The Directors host the meeting in turn and provide regular updates on their areas of the business. The monthly All Staff Meetings are well attended by a good representation of staff across departments.

There are also monthly meetings between the Senior Leadership Team and Heads of Departments to discuss departmental developments.

All Directorates have regular meetings with their teams to address issues faced by employees as they arise and/or proactively. There is also a good working relationship with the Union, who are involved as a first stage in organisational changes impacting on human resources, such as new benefits, policy updates, salary reviews and restructures. The CEO and People and Culture Director also meet with them monthly to discuss any emerging issues or queries. This provides an opportunity to resolve any potential problems before they escalate. The Union will often provide feedback on engagement initiatives, such as the questions in the annual employee survey.

Equal Opportunities:

The Trust actively applies its Equal Opportunities Policy to create an environment where all employees are treated with respect and are not subjected to discrimination. IH London believes that the pursuit of equality of opportunity is fundamental to the achievement of the vision and mission.

International House Trust Ltd

Annual Report and Accounts year to 31 December 2022

Company 01239120

Trustees' Report

Our policy statement extends to recruitment and selection, career progression, and training of staff where we encourage fairness and equality. Additionally, we make reasonable adjustments for employees to ensure that staff with disabilities are not substantially disadvantaged in carrying out their responsibilities.

One such initiative is access to Togetherall, a benefit available to all staff. Additionally, where requested, we have reasonable adjustments for staff to work flexibly and/or hybrid where feasible.

In terms of equal pay, women earn 98p for every £1 that men earn comparing the median hourly pay. When comparing mean (average) hourly pay, women's mean hourly pay is 0.8% higher than men.

Statement of Trustees' Responsibilities

The Trustees (who are the directors of the company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its net incoming resources for that period. 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 Charity Statement of Recommended Practice (SORP).
- Make judgments 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.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

International House Trust Ltd

Annual Report and Accounts year to 31 December 2022

Company 01239120

Trustees' Report

In so far as each of the Trustees is aware:

- There is no relevant audit information of which the company's auditor is unaware.
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Report was approved by the Board of Trustees on 22 September 2023 and signed on their behalf by:



Philip Huggon

Chair of the Board of Trustees

International House Trust Ltd

Annual Report and Accounts year to 31 December 2022
Company 01239120

Independent auditor's report to the members of International House Trust

Year ended 31 December 2022

Opinion

We have audited the financial statements of International House Trust Limited for the year ended 31 December 2022 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

International House Trust Ltd

Annual Report and Accounts year to 31 December 2022
Company 01239120

Independent auditor's report to the members of International House Trust

Year ended 31 December 2022

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement **set out on page 20**, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

International House Trust Ltd

Annual Report and Accounts year to 31 December 2022
Company 01239120

Independent auditor's report to the members of International House Trust

Year ended 31 December 2022

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to company and charity law applicable in England and Wales, safeguarding regulations, the Independent School Inspectorate, Accreditation UK, health and safety requirements, GDPR and employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006 and the Charities Act 2011, and consider other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to income recognition and management override of controls. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journal entries; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

International House Trust Ltd

Annual Report and Accounts year to 31 December 2022
Company 01239120

Independent auditor's report to the members of International House Trust

Year ended 31 December 2022

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

Use of our report

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



Tracey Young (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP,
Statutory Auditors
10 Queen Street Place
EC4R 1AG
London

Date: 28 September 2023

International House Trust Ltd

Annual Report and Accounts year to 31 December 2022

Company 01239120

**Statement of financial activities
incorporating an income and expenditure account**

Year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Income from:			
Charitable activities			
Teaching and learning	2	13,003	8,333
Investments		1	-
Other	2	154	567
Total		13,158	8,900
Expenditure on:			
Charitable activities	3	12,855	10,322
Total		12,855	10,322
Net income / (expenditure)	14	303	(1,422)
Net movement in funds		303	(1,422)
Reconciliation of funds:			
Funds brought forward		6,854	8,276
Total funds carried forward		7,157	6,854

All the above results relate to unrestricted funds.

The notes on pages 30 to 42 form part of these financial statements.

International House Trust Ltd

Annual Report and Accounts year to 31 December 2022

Company 01239120

Balance Sheet

As at 31 December 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Tangible fixed assets	8	11,189	11,621
Intangible fixed assets	9	101	56
Investments	10	1	1
		11,290	11,678
Current assets			
Debtors	11	2,937	1,692
Short term deposits		-	-
Cash at bank and in hand		2,746	1,348
		5,683	3,040
Creditors: amounts falling due within one year	12	(7,042)	(4,460)
Net current liabilities		(1,359)	(1,420)
Net assets less current liabilities		9,931	10,258
Creditors: Amounts falling due after more than one year	13	(2,774)	(3,404)
Total net assets		7,157	6,854
The funds of the charity:			
Unrestricted funds		7,157	6,854
Total charity funds		7,157	6,854

The notes on pages 30 to 42 form part of these financial statements.

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

P. Huggon

Philip Huggon

Trustee and Chair

Date: 22 September 2023

International House Trust Ltd

Annual Report and Accounts year to 31 December 2022
Company 01239120

Cash Flow Statement

Year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	i	2,283	(341)
Cash flows from investing activities:			
Interest received		1	-
Purchase of tangible fixed assets		(35)	(4)
Purchase of intangible fixed assets		(97)	(5)
Net cash (used in) investing activities		(131)	(9)
Cash flows from financing activities:			
Interest payable		(128)	(76)
Repayment of borrowings		(626)	(356)
Net cash (used in) financing activities		(754)	(432)
Changes in cash and cash equivalents in the year		1,398	(782)
Cash and cash equivalents at 1 January 2022		1,348	2,130
Cash and cash equivalents at 31 December 2022		2,746	1,348

Note i) Reconciliation of net income/(expenditure) to net cash inflow/(outflow) from operating activities

	2022 £'000	2021 £'000
Net income/(expenditure) for the year (as per the Statement of financial activities)	303	(1,422)
Depreciation charges	519	719
Interest receivable	(1)	-
Interest payable	128	76
Decrease/(increase) in debtors	(1,245)	(105)
Increase/(decrease) in creditors (excluding the bank loan)	2,579	391
Net cash provided by/(used in) from operating activities	2,283	(341)

International House Trust Ltd

Annual Report and Accounts year to 31 December 2022
Company 01239120

Cash Flow Statement

Year ended 31 December 2022

Note ii) Analysis of cash and cash equivalents:

	1 January	Cash Flow	31
	2022		December
	£'000	£'000	2022
			£'000
Cash at bank and in hand	1,348	1,398	2,746

Notes to the accounts

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a. Company Information

International House Trust Ltd is a private company, limited by guarantee, domiciled in England and Wales (registration number 01239120) and is a charity registered with the Charity Commission in England and Wales (registration number 270860). The registered office is 16 Stukeley Street, Covent Garden, London WC2B 5LQ.

b. Basis of financial statements

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 (FRS102) (Second edition effective 1 Jan 2019) – (Charities SORP (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) and the Charities Act 2011.

c. Going concern

Although the organisation delivered two consecutive years of unprecedented deficits, the Charity rapidly pivoted its operations and delivery to online courses. This combined with steps taken to control costs, CBILS loan and liquidity planning resulted in revenue retention and sustainable cash flow position.

The Trust has generated positive cashflows through improved trading conditions and surplus in 2022 and is forecast to deliver further revenue growth and improved surplus in 2023 from a restriction free full year trading.

The Trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the charity's financial viability. On that basis they believe the going concern basis of accounting is appropriate for these annual financial statements.

d. Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably. Income received in advance of the provision of a service is deferred until the criteria for income recognition are met. Specifically:

- Tuition fees are accounted for across the period in which the course is provided. Income relating to courses and related accommodation delivered across financial periods is apportioned based on the number of course days that fall in each period.
- Investment income, rental income and trading income are accounted for in the period to which they relate.
- Examination income is recognised in the period in which the examination takes place.

Notes to the accounts

e. Expenditure

Charitable activities result in expenditure related to the direct furtherance of the company's charitable objectives. All expenditure is accounted for on the accrual's basis. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the company to the expenditure. The cost headings comprise expenditure directly attributable to the activity.

Direct costs comprise accommodation, teaching salaries and payments, examinations department costs, agents' commissions, student social programme, teaching materials, student insurance and activities to widen access amongst disadvantaged groups.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. They are allocated directly to the company's charitable activities following categorisation in accordance with the following table:

Category	Definition
Support staff	All non-direct employee costs, including employees managing teaching staff, including any bonus, redundancy and terminations payments, recruitment, training, and welfare costs.
Marketing and communications	Marketing and communications costs, excluding employee costs.
Establishment and Office	Facility expenditure (including rent, rates, and utilities), and stationery, phone, postage, and IT costs, excluding staff costs.
Finance, legal and professional	Finance costs including bank charges, merchant fees and VAT payable on agent commissions, current gains and losses, legal, surveyor and other professional fees. Employee costs are excluded.
Other expenses	Other costs including travel, hospitality, and subsistence, product development, subscriptions and any other costs not falling within another category.

Governance costs, included within support costs, relate to compliance with constitutional and statutory requirements and include an apportionment of the CEO's and Finance Director's employee costs, Trustees' expenses, and audit fees.

f. Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably; this is normally upon notification of the interest paid or payable by the Bank.

g. Operating leases

Where title to the equipment remains with the lessor, rental charges are charged on a straight-line basis over the term of the lease.

Notes to the accounts

h. Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of the company. There are no restricted funds in the current or prior year.

i. Tangible fixed assets

Tangible fixed assets costing more than £1,000 used by the company over a period of one year or more are capitalised:

- Freehold land is not depreciated.
- Freehold buildings are depreciated over 50 years.
- Fixtures, fittings, and furniture are depreciated over 10 years on a straight-line basis.
- Computers, video equipment, language laboratories and equipment are depreciated over 3 years on a straight-line basis.

j. Intangible fixed assets

Intangible fixed assets costing more than £1,000 used by the company over a period of one year or more are capitalised:

- Course development, website development and software are depreciated over 3 years on a straight-line basis.
- 'SchoolWorks', the school's main management information system is depreciated over 7 years on a straight-line basis, being an estimate of its expected use.

k. Cash at bank and in hand and short-term deposits

Cash at bank and cash in hand are funds available to the Charity. Other cash is categorised as short-term deposits.

l. Debtors

Trade debtors are amounts invoiced and unpaid. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Amounts invoiced but not yet due for payment are recognised as debtors.

m. Creditors

Creditors are recognised when there is an obligation at the balance sheet 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 are recognised at the amount the Trust anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payments where such discounting is material. Course fees in advance are treated as deferred income and are for amounts received, or due for receipt, but where all or part of the course has not yet been provided.

Notes to the accounts

n. Taxation

The company is a registered charity. It is not liable to income tax or corporation tax on income derived from its charitable activities.

As an educational body the company is exempt from charging value added tax (VAT) on its educational services. Where appropriate, expenditure is recorded inclusive of irrecoverable VAT.

o. Estimation uncertainty

In the application of the Charity's accounting policies Trustees are required to make judgements, estimates, and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

p. Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans that are subsequently measured at amortised cost using the effective interest method.

Financial assets comprise debtors less prepayments. Financial liabilities comprise creditors.

q. Pensions

A defined contribution group personal pension (GPP) scheme operated through Scottish Widows is available to all permanent employees with three months' service. The employer's contribution is equal to 3% of basic salary and the employee determines their contribution, subject to the minimum specified by auto-enrolment legislation. The Trust offers a salary sacrifice option and these contributions are included within the employer's pension scheme contributions. Employees who are not eligible for the GPP scheme are auto enrolled into 'The People Pension' in accordance with current employment legislation.

Notes to the accounts

2 Income from charitable activities

	2022	2021
	£'000	£'000
Adult Language Courses	4,880	3,147
Young Learners	1,670	147
Teacher training courses	1,528	1,680
Examination fees	3,562	2,962
Accommodation	1,363	397
	13,003	8,333

Other income of £154k predominantly comprises Social Activity and Meeting Room income. Total furlough claim in the year was £nil (2021: £476k).

3 Expenditure on charitable activities

	2022	2021
	£'000	£'000
Direct costs of teaching and examinations		
Adult Language courses	1,939	1,640
Young Learners	646	61
Teacher training courses	798	950
Examinations	2,105	1,860
Accommodation	1,690	593
Other direct costs	89	18
	7,267	5,122
Support costs (note 4)	5,588	5,200
	12,855	10,322

Notes to the accounts

4 Expenditure on support costs and governance

	General Support	Governance	2022
	£'000	£'000	£'000
Staff, including teaching management	3,169	40	3,209
Marketing and communications	349	-	349
Establishment and office	1,010	-	1,010
Finance, legal and professional	126	32	158
Write offs and provisions	83	-	83
Depreciation and amortisation	519	-	519
Interest payable	128	-	128
Other expenditure	130	-	130
	5,516	72	5,588

	General Support	Governance	2021
	£'000	£'000	£'000
Staff	2,907	38	2,945
Marketing and communications	280	-	280
Establishment and office	915	-	915
Finance, legal and professional	94	15	109
Write offs and provisions	47	-	47
Depreciation and amortisation	719	-	719
Interest payable	76	-	76
Other expenditure	109	-	109
	5,147	53	5,200

5 Staff costs

	2022	2021
	£'000	£'000
Gross salaries	4,966	4,610
Social security costs	416	376
Employer's pension scheme contributions	118	284
	5,500	5,270
Self-employed and agency staff	424	463
	5,924	5,733

Notes to the accounts

5 Staff costs (continued)

The number of employees whose emoluments for the year (including taxable benefits but not employer's pension scheme contributions or national insurance) exceeded £60,000 was:

	2022	2021
	Number	Number
Employees earning between:		
£130,001 and £140,000	1	-
£110,001 and £120,000	1	-
£100,001 and £110,000	-	1
£90,001 and £100,000	1	-
£80,001 and £90,000	-	1
£70,001 and £80,000	-	1
£60,001 and £70,000	1	1
	4	4

Employer's pension contributions of £9,089 (2021: £10,359) were made for the above employees.

The aggregate remuneration, including any applicable employer's national insurance, severance payments and employers pension scheme contributions for 'key management personnel', referred to as the Senior Management Team on page 1, was £630,923 (2021: £487,692).

The average headcount of employees analysed by function was:

	2022	2021
	Headcount	Headcount
Examinations	137	134
Teaching	141	73
Support	71	133
	349	340

During the year redundancy and termination payments of £nil (2021: £1,632) were paid.

Notes to the accounts

6 Trustees' remuneration & related party transactions

The trustees neither received nor waived any emoluments during the year (2021: £nil). Five trustees (2021: one trustee) were reimbursed travelling expenses of £2,422 (2021: £468) during the year.

No trustees (2021: one) were engaged in a teaching capacity with a total remuneration of £nil (2021: £1,000).

Ricard Alonso is a director of International House World Organisation Ltd (IHWO), a company which is 50% owned by International House Trust Ltd.

Monica Green holds a controlling interest in IH Torres Vedras language schools, which traded with IH London on standard commercial terms. Monica Green is Executive Director of IHWO and in this capacity is paid by IHWO.

7 Operating leases

The lease agreement was re-negotiated in 2021 resulting with a reduction in the quarterly lease payments, for a new 60-month term.

The charity has the following future minimum lease payments under non-cancellable operating leases for each of the following years:

	2022	2021
	£'000	£'000
Within one year	17	17
Between one year and five years	40	8
	57	25

Notes to the accounts

8 Tangible fixed assets

	Freehold land and buildings £'000	Leasehold Properties £'000	Fittings, furniture, and Equipment £'000	Total £'000
Cost				
1 January 2022	15,700	913	2,565	19,178
Additions	-	-	35	35
31 December 2022	15,700	913	2,600	19,213
Depreciation				
1 January 2022	4,758	539	2,260	7,557
Charge	321	28	118	467
31 December 2022	5,079	567	2,378	8,024
Net book value				
31 December 2022	10,621	346	222	11,189
1 January 2022	10,942	374	305	11,621

The leasehold properties are an extension to the freehold building at 16 Stukeley Street and office accommodation at Shaftesbury Avenue. 'Freehold land and buildings' include £3m of non-depreciating freehold land.

9 Intangible fixed assets

	SchoolWorks £'000	Website £'000	On-line Education £'000	Software Licenses £'000	Total £'000
Cost					
1 January 2022	571	227	89	31	918
Additions	-	97	-	-	97
31 December 2022	571	324	89	31	1,015
Depreciation					
1 January 2022	541	210	89	22	862
Charge	26	17	-	9	52
31 December 2022	567	227	89	31	914
Net book value					
31 December 2022	4	97	-	-	101
1 January 2022	30	17	-	9	56

International House Trust Ltd

Company 01239120

Year to 31 December 2022

**Notes to the accounts****10 Investments**

	2022	2021
	£'000	£'000
International House World Organisation Ltd (at cost)	1	1

The company owns the Ordinary Trust Share representing 50% of the issued share capital with a book value of £500 and 1 Affiliate Share in International House World Organisation Ltd (IHWO). Decisions by IHWO in general meetings can only be made with the agreement of both classes of shareholder and consequently the Trustees do not consider that International House Trust exercises control over IHWO. The accounts are therefore not consolidated on the basis that the charity does not control the financial and operating policies of IHWO. Its registered address is unity Wharf, 13 Mill Street, London, SE1 2BH.

A summary of the results of IHWO are given below:

	2022	2021
	£'000	£'000
Profit and loss account - IHWO Limited		
Turnover	737	695
Cost of sales	(173)	(175)
Gross profit	565	520
Administrative expenses	(529)	(473)
Other income and expenditure	(1)	-
Tax on profit	(22)	(9)
Profit for the year	12	38
Revaluation of tangible fixed assets, less tax	-	-
Total comprehensive income/(expenditure) for the year	12	38

	2022	2021
	£'000	£'000
Balance Sheet - IHWO Limited		
Fixed assets	559	555
Current assets	378	384
Creditors: amounts falling due within one year	(159)	(180)
Net current assets	778	759
Creditors: amounts falling due after one year	(27)	(37)
Provisions for liabilities	(65)	(49)
Net assets	686	673

International House Trust Ltd: 50% of shareholders' equity	343	337
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During the year the Trust made payments to IHWO of £21,986 (2021: £19,215) on normal commercial terms. No payments (2021: £Nil) were made by IHWO to the Trust.

Notes to the accounts

11 Debtors

	2022	2021
	£'000	£'000
Trade debtors	1,934	1,169
Other debtors	593	320
Prepayments	407	200
Staff loans and advances	3	3
	2,937	1,692

12 Creditors: amounts falling due within one year

	2022	2021
	£'000	£'000
Loans repayable within one year	637	632
Trade creditors	1,401	639
Accruals	1,293	738
Taxation and social security	117	90
Deferred income: Course fees in advance	3,558	2,339
Other creditors	36	22
	7,042	4,460

Deferred Income

Opening Balance 1 January 2022	2,319	1,944
Released during the year	(2,292)	(1,798)
Newly Deferred	3,531	2,173
Closing Balance 31 December 2022	3,558	2,319

Income is deferred for courses booked in advance.

13 Creditors: amounts falling due after more than one year

	2022	2021
	£'000	£'000
Loan repayable within two to five years	1,890	2,340
Loan repayable in more than five years	884	1,064
Creditors: amounts falling due after more than one year	2,774	3,404

Notes to the accounts

In February 2017 the Trust took out loan, over 15 years, with Lloyds Bank PLC. This loan is secured by a fixed charge on the freehold land and building at 16 Stukeley Street. The interest rate is the Bank of England base rate plus 2.50%. Repayments of £159,349 (2021: £153,596) were made during the year.

A CBILS loan of £2,350,000 was availed from Lloyds in July 2020 at an interest rate of 1.92% plus base rate and is secured against Stukeley Street premises. This is repayable over five years from July 2020, with no repayments in the first year and the interest was met by the government. Repayments of £470,000 (2021: £195,833) were made during the year.

14 Net expenditure for the year

This is stated after charging:

	2022	2021
	£'000	£'000
Depreciation	519	719
Auditor's remuneration:		
Audit fees	25	14
Leasehold property rent	206	323
Operating leases equipment	17	22
Interest payable	128	76

Notes to the accounts

15 Analysis of net borrowing

	1 Jan 2022	Cashflow	Non-cash	31 Dec
	£'000	£'000	changes	2022
			£'000	£'000
Loans falling due within one year	(632)	626	(630)	(637)
Loans falling due after one year	(3,404)	-	630	(2,774)
	(4,036)	626	-	(3,411)
Cash at bank and in hand	1,348	1,398	-	2,746
	(2,688)	2,024	-	(665)

	1 Jan 2021	Cashflow	Non-cash	31 Dec
	£'000	£'000	changes	2021
			£'000	£'000
Loans falling due within one year	(383)	356	(605)	(632)
Loans falling due after one year	(4,009)	-	605	(3,404)
	(4,392)	356	-	(4,036)
Cash at bank and in hand	2,130	(782)	-	1,348
	(2,262)	(426)	-	(2,688)

16 Share capital

The company is limited by guarantee and does not have share capital. Members are not entitled to any dividends or to a share in the assets on dissolution. Each member undertakes to contribute up to a maximum sum of £1 on winding up. Each member has one vote. There were 13 members as at 31 December 2022 (2021: 13).

17 Ultimate controlling party

The charitable company is under the ultimate control of the Board of Trustees.

18 Capital commitments

At 31 December 2022 capital commitments of £94,651 had been authorised, no commitments had been contracted (2021: there were no capital commitments authorised or contracted).

INTERNATIONAL HOUSE TRUST LIMITED

England & Wales - Charity number 270860

Accounts



International
House
London





Trustees' Report and Financial Statements

31 December 2021

International House Trust Limited
A company limited by guarantee (01239120)
Registered Charity (270860)

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International House Trust Limited

Annual Report and Accounts year to 31 December 2021

Company 1239120

Reference Information

Board of Trustees	Phil Huggon (Chair since July 2021) Angela Dean (Chair till July 2021) (resigned 31 July 2021) Adrian Underhill (Vice Chair) (resigned 7 April 2022) Elizabeth McGlynn Gareth Hughes (appointed 15 November 2021) Julie Wallis (appointed 15 November 2021) Keith Davies Maxwell Nye Monica Green Norman Renshaw (resigned 6 October 2021) Ricard Alonso Ferre Roy Cross (appointed 15 November 2021) Tita Beaven Tomasz Mazgaj
Senior Management Team	Mark Rendell (Chief Executive) Karen Smith-Watson (Interim Finance Director till April 2021) Vimala Jayaraman (Director of Finance since April 2021) Eleanor Maly (Director of Education) Lawrence Jackson (Director of Sales and Marketing) Eve Truszkowska (Director of Assessment) Alex Cann (Director of Young Learner Programmes)
Registered office	16 Stukeley Street, London, WC2B 5LQ
Website	www.ihlondon.com
Company registration number	01239120, incorporated on 2 January 1976 (England and Wales)
Charity registration number	270860
VAT registration	GB 1061 801 56
Auditors	Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG
Bankers	Lloyds Bank, 39 Threadneedle Street, London, EC2R 8AU Allied Irish Bank (UK) PLC, 10 Berkeley Square, London W1J 6AA
Solicitors	Russell-Cooke, 2 Putney Hill, London SW15 6AB

Chair's Report

A pivotal year in recovery from the pandemic, 2021 saw International House London stabilising its baseline revenue despite COVID restrictions and changing regulations rampant throughout the year. These restrictions particularly limited the peak summer trading for the sector and contributed to a significant proportion of the organisation's annual revenue.

The organisation relies heavily on international students travelling to the UK and the restrictions from the pandemic, which existed for most the trading year 2021, impeded our pace of recovery. The shift to online delivery model and remote working enabled the Trust to continue to operate, albeit face to face did not fully resume until 2022.

A testament to the agility and successful switching to a digital offering is evident in the organisation retaining 55% of 2019 pre-pandemic turnover wherein 2020 (Q1 normal trading) and 2021 revenue at £9.1m and £8.9m, respectively. Although revenue stabilised against the prior year to finish at £8.9m. IH London saw YoY EBITDA improve by 6.3% or £0.5m, predominantly driven in the second half of the year with revenue growth and the Profit Improvement Programme launched in H2 2021.

Additionally, we delivered across the board in terms of industry rankings including International House London being in the top 1% of all UK Language Schools in British Council UK Accreditation inspection. The joint EAQUALS and IHWO inspection also provided many compliments about our work.

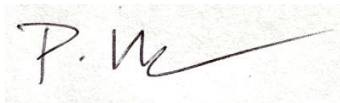
Financially, to address the challenges posed by the pandemic, the rapid action to limit losses by utilising the furlough scheme and CBILS loan for working capital and cash flow requirements helped the organisation to successfully recover and stabilise in H2 2021.

The Committees and Board continued to be updated with regular trading updates on the liquidity position with adequate contingency plans in place for both cost base reduction and cash injection. This enabled the organisation to take necessary and timely actions and remain as a going concern. Due to the successful implementation of various initiatives and strengthening of the underlying business model, the contingency plans did not need to be invoked.

The strength of the operating model combined with the excellence of course content and delivery resulted in sustained demand for our courses and assessment. In 2022, we have seen a strong return in the demand for the face-to-face education while online demand remained buoyant.

Although 2021 was blighted by changing travel restrictions and regulations, the organisation has delivered sustainable growth and strong profit conversion in 2022 underpinned by driving efficiencies, achieving turnover growth, and sustaining the quality of delivery. As we go through recovery, we continue to target strong strategic revenue growth to return to pre-pandemic levels.

I would like to thank the Board of Trustees for their time and support to IH London for their invaluable contribution. I would also like to extend a huge thank you the Senior Management Team and all the staff who have worked tirelessly through the challenging pandemic years in laying strong foundations for sustainable growth and stability for the organisation.



Philip Huggon
Chair

Date: 22 September, 2022

CEO's Report

By Mark Rendell

Introduction

Despite facing some incredible challenges, severe operational issues, and restrictions on international travel as a result of Covid-19, it is now clear that International House Trust remains in a strong position to achieve recovery.

The determination of the staff and the Trustees to turn the crisis into an opportunity and to redefine the way the organisation operates and how we engage with our students and employees has been very evident. The crisis has also helped us to reaffirm our commitment and motivation to using innovative high-quality education as tool that connects and empowers people and which enhance lives.

The impact of Covid-19 on UK ELT

For much of the ELT industry in the UK, 2021 was an extremely testing year due to the ongoing global pandemic which emerged in the spring of 2020. The industry posted even more catastrophic results in 2021 than those recorded in the previous year. This was due to the fact that the first quarter of 2020 had seen fairly normal trading. English UK reported in the annual *Student Statistics Report 2021* that its members had seen a fall of as much as 83.6% in student numbers compared with 2019.

The first half of 2021 saw a virtual shutdown of international travel with the introduction of the controversial traffic light system. Very few target markets enjoyed green status, many were amber but with quarantine and stringent testing regimes and the red status was extremely punitive. The effect of the restrictions meant that short haul and short stay travel became unfeasible, and restrictions were eased too late to save the important peak summer season. Travel only began to normalise in the final quarter of the year.

The impact of Brexit

The full impact of Brexit has not been felt yet as the global pandemic has dominated people's thoughts. It is anticipated that there will be significant staff shortages especially for the junior summer camp sector and many juniors who do not have passports will no longer be able to travel on their national ID cards.

There has been a reduction in short teacher training courses with the end of the Erasmus funding scheme. We have also observed some drop in interest in accredited teacher training courses due to the hardships that come with obtaining a visa to work in Europe and the intake for general English courses for EU students has fallen a little as they no longer have the work rights that can help fund their study.

Ironically, the Government could provide a massive boost to the ELT industry and to the struggling hospitality sector that has significant staffing shortages if work rights were granted to ELT students.

CEO's Report

By Mark Rendell

International House London bucks the trend

The table below shows a comparison of the remaining size of business retained by members of English UK and International House London in comparison to the same period in 2019 (pre-pandemic).

2021	English UK (Student weeks)	International House London (Revenue)
Q1	20%	61%
Q2	24%	62%
Q3	18%	50%
Q4	38%	67%

Due to International House's diversification strategy the organisation retained a significantly larger share of its revenue than the rest of the industry. UK-focused products such as modern languages and exams even recorded growth in revenue on the previous year.

Preparing for the return in international travel

The Trust's short-term strategy in 2021 was to maximise and grow its UK activity and to be ready to take advantage of the return of international travel. This involved supporting and retaining experienced and specialist staff, reducing reliance on international travel and by improving operating efficiency and by carefully managing costs.

	2021	2020
Turnover	£8,900k	£9,120k
Deficit	(£1,422k)	(£1,899K)
Consecutive years in operation	64	63

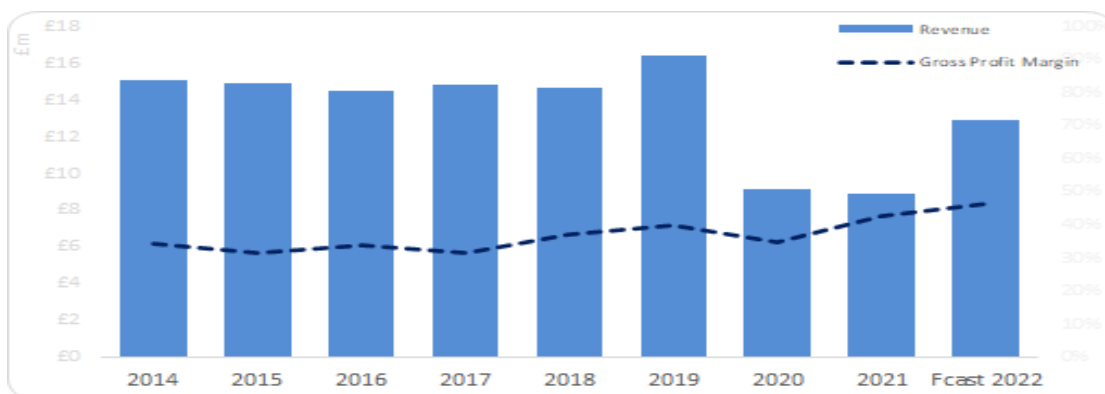
Turnover

Bearing in mind that turnover was normal in the first quarter of 2020 the turnover generated in 2021 was quite impressive. Around half of this activity was generated through UK-based activity in the form of teacher training, exams, and modern languages. The nationalities that were able to travel included: Saudi Arabia, China, and Japan.

CEO's Report

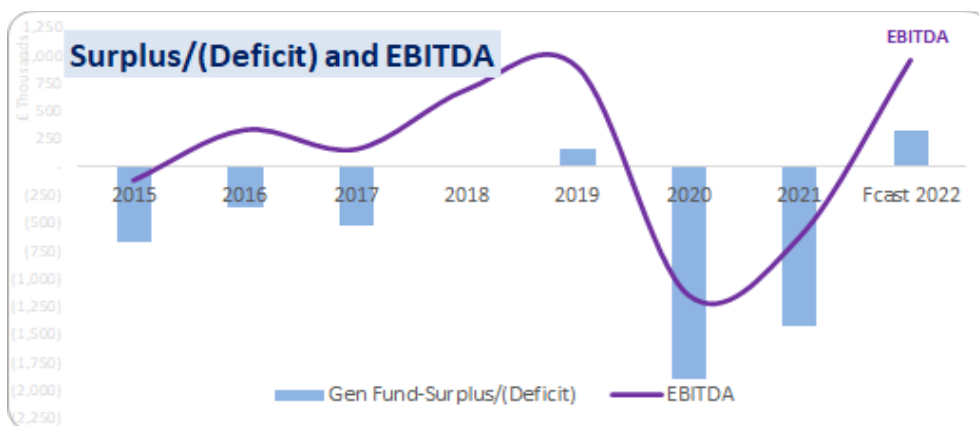
By Mark Rendell

Gross Profit Margin



As demonstrated above, the school continued to maintain a very competitive gross profit margin on the language products that it produced with an annualised improvement of 5%. This is despite the effect of social distancing which necessitated a reduction in class size and the shift to online learning which had to be slightly discounted to meet public perceptions of online learning and also had smaller class sizes than the face-to-face alternative.

EBITDA



To demonstrate improvements to our business model, the organisation posted an improvement of £600K in its operating loss. This meant that the organisation's cash position remained relatively stable.

Cost Management

The organisation has reviewed its cost base and made particular progress in disposing of substantial property liabilities including student accommodation contracts and the lease of the Shaftesbury Avenue office.

People

The quality and resilience of our people made a huge difference in putting the organisation into a strong position to return to health in 2022. The Senior Management Team remained stable and committed and staff really pulled together.

International House Trust Limited

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CEO's Report

By Mark Rendell

The organisation restructured a few departments and roles including the merging of customer services and sales and the integration of our executive department into the English department to streamline and consolidate operations. Many members of the business development team are now embedded in country to reduce the carbon footprint and obstacles involved in international travel but also to be closer to our target markets.

We have managed to retain our key staff in all departments, and we have also brought in a new head of human resources who has been tasked with developing a new people strategy aimed at further improving our staff engagement, enhancing our performance management and training systems, and improving our communications interface.

Governance

The trustee board has been hugely supportive during these difficult times, and we welcomed a new chair in the form of Phil Huggon who replaced the long-serving Angela Dean. Three excellent new trustees joined including: Julie Wallis (EFL), Roy Cross (British Council) and Gareth Hughes (Human Resources).

A new committee was also formed called the Social Value committee which will now oversee and steer the organisation's charitable objectives. The social value umbrella also includes environmental sustainability and community relations.

Notable School Activity

The school achieved the highest grades possible (Exceeds Expectations) in its educational oversight inspection by the Independent Schools Inspectorate (ISI). This inspection was coordinated by Eleanor Maly (Director of Operations) and the school also retains accreditation by the British Council, EAQUALS and IHWO.

Our general English and Executive programmes continue to recover and build momentum.

Uptake for our teacher training programme has dropped a little, although interest does remain strong. The initial rush when the CELTA online route was launched last year has flattened and towards the end of the year trainees were returning to the classroom.

The Trust ran a fantastic hybrid international conference for teacher trainers in November which was well attended and very well received. Vice Chair, Adrian Underhill, opened the event and former IH trainer, Chia Suan Chong gave the opening address.

Our exams department ran the highest number of exam sessions ever in 2021. Both the computer based IELTS and OET (Occupational English Test for healthcare) tests achieved record numbers of candidates. Due to the pandemic, 71% of test candidates preferred computer-based over the paper-based format.

Finally, IH London took part in a range of humanitarian projects with the British Council with the Digital innovation fund in Vietnam (BC) and Prelim projects in Cote de Ivoire, India, Mongolia, and Nigeria.

CEO's Report

By Mark Rendell

Outlook for 2022

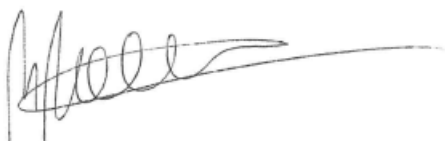
International House Trust approached 2022 in a stable position with a strong sales momentum. The Omicron variety of the Covid virus has introduced a milder strain and the vaccine roll out programme has been a great success in the UK. With the return to a degree of normality the prospects for a first peak summer season in three years look strong and the return of junior summer camps is eagerly anticipated.

IH Trust will continue to strengthen its core operational capabilities, seek to return to surplus, reduce dependence on international travel, continue to develop its social value and activity for the public good, enhance its digital footprint and seek ways to improve the life time value of the relationships that are built with our student body.

Recognition

I'd like to thank all of my senior management team for their dedication, passion, forthrightness, and desire to see International House Trust continue to thrive. Our Trustees have provided constructive and enthusiastic ideas and support and their input is invaluable.

Finally, our staff should take great pride in the professional, knowledgeable, and committed way that they interact and care for our students, trainees, and candidates. They insist on high standards and excellence and we continue to deliver an important and valuable social function that I know is admired and respected across the world.



Mark Rendell, Chief Executive Officer

22 September, 2022

International House Trust Limited
Annual Report and Accounts year to 31 December 2021
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CEO's Report

By Mark Rendell



International House Trust Limited

Annual Report and Accounts year to 31 December 2021

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Trustees' Report

Introduction

International House (IH) was founded in 1953 in Cordoba, Spain by John and Brita Haycraft and is now one of the world's largest and best-known groups of language schools. IH schools teach over 200,000 students every year and employ over 5,800 teachers.

The London school opened in 1957 in Covent Garden and became an Educational Trust in 1974. IH London is also known as International House Trust Limited. IH London has a major share in the London-based International House World Organisation (IHWO) which is the body that was established to oversee the network of globally affiliated language schools located in 45 countries spanning every continent and to manage the IH brand.

Founders, John and Brita, had the goal of using language learning as a tool to help bring the world back together following the ravages of the second world war. They were also committed to raising the standards of English language teaching and training worldwide and created the forerunner of the industry-leading CELTA teacher training qualification.

Schools in the network teach English, Spanish, German, French, Japanese, Arabic, and a wide variety of other languages to adults and young learners. Across the network, IH schools train about half of all CELTA graduates in the world. IH London also specialises in the delivery of examinations including IELTS.

Our Areas of Expertise

International House London is a world leader in language teaching, training, and testing. Our activity in the UK is primarily in the field of educational tourism.

We believe that by delivering quality language and communication training, we act as a force for change, bringing people together, enhancing mutual understanding and tolerance, and unlocking human potential.

Our educational portfolio of face-to-face and online learning includes:

- English language teaching for students aged over 16 years of age during the daytime and in the evening. This includes general English, IELTS and the Cambridge main suite of exam courses. Students travel from overseas and take courses for periods of one week to up to a year.
- Specialist communications training for professionals aged over 21 in our dedicated Executive Centre and online.
- English language teaching with activities and specialist subjects for under 18s in London, at five other seasonal locations around the country, online and overseas on demand.
- Teacher training for CELTA and DELTA candidates online and in London, a range of shorter specialised courses for language trainers, and numerous projects overseas.
- Foreign languages for residents of London and elsewhere online. IH London delivers courses for over 11 languages.
- The delivery of exams from the London centre and in locations around the UK, Israel, and Nigeria. Exams include: IELTS, IELTS, SELT and OET.

Our Covent Garden School

Our large school is located in the popular Covent Garden area in central London. Our modern air-conditioned school has nine floors with a large library, café, computer centre, comfortable social spaces, reception, and fully equipped large bright classrooms.

Trustees' Report

What makes International House London stand out?

- We are an educational trust and a not-for-profit organisation.
- We are a well-known and trusted brand built up over 60 years of innovation and industry leadership. We created the first teacher training courses (the forerunner to today's CELTA). We operate globally and have delivered programmes in many countries. International House World is the central membership office for a network of 135 private language schools located in over 45 countries.
- We have a high degree of academic integrity and authority. Most of our teachers are diploma-qualified, many of our teachers have been published and we have trained a high percentage of today's EFL teachers. We also share our expertise through hosting and attending industry workshops and conferences.
- We have a very experienced and professional team, and we aim to attract and retain the best talent in the industry. We offer our academic staff a wide range of professional development and industry opportunities.
- We offer the best value proposition and quality in central London according to the EL Gazette's Best of Britain 2019 Guide. We achieved 14/15 strengths in our British Council inspection, and we also hold accreditations by the Independent Schools Inspectorate and EAQUALS. IHWO is our fourth accrediting body.
- We offer the most complete range of language services available in the market in the UK today and have the largest market share in teacher training and the IELTS examination.
- We are situated in one of the largest English language centres in the UK, located in the famous of Covent Garden, in the cultural heart of London.
- We are innovators. We pioneered the CELTA qualification, are the only school to offer the Distance Delta in partnership with the British Council, we were the first school in London to offer face-to-face OET preparation courses for medical English and we were the first to market our school in virtual reality (VR).

The Trust does not actively solicit donations directly from the public nor uses third parties for fundraising. Therefore, it is not registered with the Fundraising Regulator and does not subscribe to any fundraising codes of practice. Were donations from individuals or trusts and foundations to be received, the Trust would ensure personal data is appropriately protected. The Trust received no complaints within the year regarding fundraising.

Trustees' Report

Strategic Report

Strategic Goals

International House London developed a new three-year strategy in 2019 with the five key goals outlined below:

1. Become a sustainable organisation	To generate a sustainable surplus to allow the school to continue to invest in and fulfil its charitable purpose. To ensure this, we will grow a differentiated but focused product portfolio and reduce our dependency on single sales channels, geographical location, markets, and products. We will encourage innovation, address the needs of our students, focus on organic and inorganic sales growth, look to increase life time value, and improve margins.
2. To be the employer of choice	We have a loyal and committed staff who are leaders within the industry. We will strive to attract and retain the most talented personnel in the industry giving them the tools to succeed. We will look to create a flexible, engaging and rewarding working environment with lifelong learning and improvement at the heart.
3. Deliver outstanding service and performance	We recognise that we are a service industry operating in the educational tourism sector. Customer service and the student experience are key differentiators, and we will focus on providing tangible outputs for our learners.
4. Innovate and offer new benefits	Since IH London's launch of the forerunner to the CELTA qualification we have been innovators and we will continue to innovate and embrace new ideas and technologies.
5. Widen our accessibility and reach	We are confident in the quality of our language services. We want to break barriers and open up new frontiers to bring our services to more people around the world. This will be achieved through technological advances and by delivering our programmes in new markets.

Senior Management:

The Senior Management remained largely unchanged in 2021.

Mark Rendell, CEO, joined International House London in January 2019. Mark is also Chair of English UK, he is a member of the Accreditation UK Executive Board, a member of the Cambridge Assessment Standards Committee and is a director on the IHWO Board.

Eleanor Maly is the Director of Education.

Lawrence Jackson is the Director of Sales and Marketing.

Alex Cann is the Director of Young Learner Programmes.

Eve Truszkowska continued to be Director of Exams.

Vimala Jayaraman joined as Director of Finance in 2021, taking over from interim Finance Director Karen Smith-Watson.

Trustees' Report

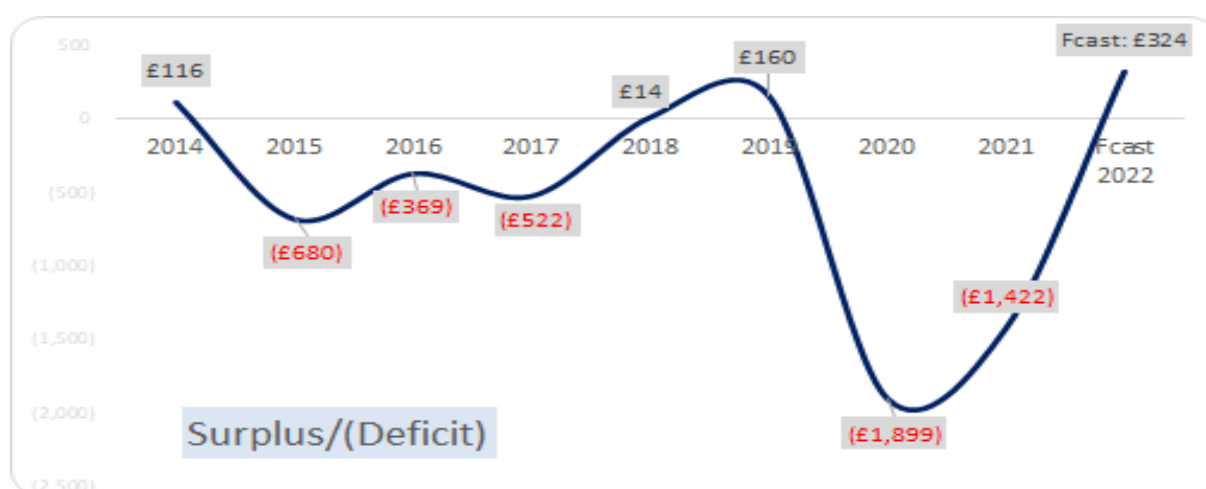
Financial Review

The severely disrupted trading from the pandemic in March 2020 continued to have an impact in 2021. 2020 included Q1 pre-pandemic normal trading which was absent in 2021 and restrictions were not eased for the full year of trading.

2021 saw revenue finish at the similar level to 2020 at £8.9m despite restrictions in place for most of the financial year. Normalised against 2020, this was a year-on-year improvement and a testament of our ability to generate the level of baseline revenue.

The organisation embarked on a Profit Improvement Programme in the second half of 2021. This entailed a multi prong approach including; restructuring the fixed cost base, contract renegotiations, gross-margin improvements, and optimising procurement opportunities. These delivered a cost base reduction, including savings sustainable into future periods.

The graph below depicts the steep recovery of EBITDA in H2 2021 reducing deficit by £0.5m. this recovery is expected to be sustained through to 2022 underpinned by these initiatives, despite revenue not fully recovered to the pre-pandemic levels in 2019.



Year on year saw an overall reduction in income against 2020 with Q1 2020 trading under pre-pandemic levels. Excluding other income, core education and assessment income saw an overall 7% growth against prior year.

Modern Languages and Exams saw growth against prior year despite the challenging trading conditions. Young Learners continued to have nominal trading due to cancellation of face-to-face courses and absence of summer trading.

The rest of the divisions retained majority of prior year income trend as the Trust continued to deliver online courses and face-to-face reinstated as soon as restrictions eased.

Despite the challenging trading conditions, absence of Young Learners revenue, and restrictions the Trust finished the year with a total revenue of £8,900k and is well placed to exceed this revenue level in 2022.

The revenue initiatives and management actions implemented to reduce the expenditure base and maximise margins converted to a gross profit of 42% (2020: 34%; 2019: 40%). Excluding Young Learners and Accommodation, the gross profit in 2021 was at 47% which was a 10% year on year improvement

Trustees' Report

against 2020.

The improvement in gross profit performance has continued in 2022 and is reflected in the above forecast position, further supported by income recovery in 2022 and Young Learner division recovered as international travel resumed.

Expenditure for the year on charitable activities was £10,322k (2020: 11,019k). Net expenditure was (£1,422k) [2020: (£1,899k) and 2019: £160k], an improvement of £477k, equivalent to 5.4% of income.

The Trust availed £2,350k against the Coronavirus Business Interruption Loan Scheme (CBILS) in July 2020. This was in addition to the Term loan availed in 2017.

Total repayment on both loans resulted in a reduction of £355k (2020: £470k and 2019: £283k), reducing the total secured loan to £1,882k as at 31 December 2021 (2020: £2,042k and 2019: £2,512). The loan is secured on the property at 16 Stukeley Street and is repayable over the next 11 years (2020: 12 years).

The Trust finished the year with cash of £1,348k (2020: £2,130k and 2019: £1,658k) without a recourse to an overdraft and a considerable fixed asset.

Public Benefit

In reviewing the charity's aims, and putting them into action, the trustees have taken account of the Charity Commission's guidance on public benefit.

The Trust provides services for the advancement of education, a charitable purpose recognised by the Charity Commission. Whilst the Trust is required to charge for its services in order to fund their provision, it also offers programmes at low cost. In addition, the Trust also delivers professional development of language teachers so as to raise language teaching standards worldwide.

We provide a substantial programme of lessons at a nominal cost both in English as a Foreign Language and in Modern Languages to disadvantaged people in London, widening access to those who might not be able to afford the full cost of such courses. These courses are accessible to all citizens.

These courses are provided by supervised trainee teachers on initial teacher training courses or by experienced teachers taking a more advanced training course, usually the Cambridge DELTA. Those benefiting include unemployed people, recent migrants, refugees, and others who can demonstrate their need.

We also continue to support Refuaid, an organisation that helps refugees and Crisis, an organisation that helps the homeless. Support includes free general English, exam preparation and subsidised teacher training programmes.

The Trust continues to operate in alignment with the objects in its Memorandum and providing courses in English and other languages, teacher training and professional development programmes, and language testing services.

We hosted the annual teacher training conference which attracts an international audience focusing on professional development for teacher trainers and the improvement of language teaching standards. Around 150 trainees shared their expertise and ideas at this hybrid event.

Our face-to-face language programmes include access to a social programme that is based on activities and engagement in the local community and culture. Our online social activities have more of a cultural focus and many of the activities help promote awareness and mutual respect.

International House Trust Limited

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Company 01239120

Trustees' Report

At the start of the Covid-19 pandemic our programmes shifted online. During lockdown periods our programmes provided a vital social outlet for those feeling isolated at home and offered active mental stimulus during a psychologically demanding time.

International House London is also very actively engaged in helping to raise standards within the English Language teaching industry (ELT). Several teachers have been published and our teachers regularly deliver free workshops at leading industry events. Our CEO is Chair of the national trade association (English UK) that represents ELT in the UK and is a member of the Accreditation UK inspection scheme board. Other members of the SMT are involved on an unpaid basis with the finance panel, special interest groups and local associations.

Our exams were permitted to continue for most of the period of pandemic because they performed an important national service by providing credentials for prospective front line health professionals to be able to join the NHS, by supporting the UK's visa system and by underpinning access to the UK's higher education system.

The school has reformed its Public Benefit Committee under the new guise of the Social Value Committee. The new committee which reports to the Board has been tasked with providing oversight of the activities and initiatives of the organisation that bring public benefit and monitors social and environmental impact. During 2021, the organisation embarked on B-Corp implementation to further the social impact of International House. In May 2022, we exceeded the scoring requirements for the certification. Although the certification cannot be applied as a Charity, it has been instrumental in driving the social value agenda of the Committee.

International House World Organisation

International House Trust Limited holds 50% of the authorised share capital (plus one affiliate share) of International House World Organisation Limited (IHWO), a company serving the international affiliate network of over 140 centres in 45 countries. IHWO sets quality standards for its affiliates, currently branded as the 'IH Charter' and regularly inspects the Trust to monitor the School's compliance. Further details about the IHWO network is provided on their website, www.ihworld.com.

Accreditation and Professional Memberships

IH London places great importance on the quality of the teaching, training and other related services that are provided through its schools.

As a result, it has a number of accreditations and memberships that help ensure quality is maintained and, where possible, improved. The Trust's key accreditations and memberships are:

- *Independent Schools Inspectorate (ISI)* – ISI run a government-approved quality assurance scheme called *Educational Oversight* that accredits independent schools which allows them to issue Tier 4 student visas. As a result, the Trust holds a Highly Trusted Sponsor licence, (5BY3ENNA5), issued by the UK Visa and Immigration Authority.
- *Eaquals (Evaluation and Accreditation of Quality in Languages Services)*, is an international accreditation scheme for quality language providers. The Scheme provides an inspection and membership service.
- *Accreditation UK* - the accreditation scheme jointly run by the British Council and English UK is the leading quality assurance in the UK for the ELT sector. Both the School and the Young Learners division are inspected at least every four years.

International House Trust Limited

Annual Report and Accounts year to 31 December 2021

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Trustees' Report

- *English UK* - the Trust is a member of the professional body that represents the accredited English language teaching and language training sector.
- *Cambridge Assessment* - for Cambridge teacher training and examinations. IH London is also a British Council approved IELTS Centre for both the standard IELTS and the secure (SELT) IELTS.
- International Association of Teachers of English as a Foreign Language (IATEFL) - is an association for teachers, lecturers, teacher trainers, academic managers, researchers, and institutions involved in English Language Teaching (ELT) with a mission to link, develop and support English Language Teaching professionals worldwide.

Risk Management

The Trust has a comprehensive risk management policy which was strengthened further through the Governance Framework. The Finance, General Purpose, Risk and Audit Committee scrutinises the risk register and risk mitigations, prepared by the senior management team, before recommending it to the Board. The risk register is reviewed every quarter alternating between the Committee and the Board. The current primary risks identified by the Board are:

Primary Risks	Mitigations
<p>Geopolitical tensions/ Political Changes Key Markets</p> <p>Countries could fall into conflicts with their neighbours or the UK. This could lead to a fall in student numbers.</p> <p>Change in key target country policies resulting in loss of revenue. For instance, recent changes in China's policy on private education providers; Russia and Ukraine; Italy.</p> <p>China: Geopolitical tensions over Hong Kong</p>	<ul style="list-style-type: none"> • Education and Assessments has a good geographical spread of markets. • Monitor global affairs closely. • Ensure organisation is agile to change legal structure to adapt and continue to service under new policies compliant with regulatory changes. • Retain a sales office in Shanghai and maintain visibility and good communication. Ensure that the school is not over-dependent on any single nation or region.
<p>Brexit</p> <p>Reputational damage in Europe.</p> <p>Loss of work rights for EU nationals (students and staff)</p>	<ul style="list-style-type: none"> • Membership and representation through English UK to champion UK ELT. • Sales focus on new markets in diverse locations around the world. • From January 2021, students will no longer require a study visa to learn English for up to six months. A standard tourist visa will be sufficient.

Trustees' Report

Primary Risks	Mitigations
<p>Recession/Inflation/Adverse forex value of Sterling:</p> <p>The cost of living crisis resulting in significant cost base increase and diluting profit margins; Recession and increase in unemployment levels results in curtailing spend by individuals and corporations.</p>	<ul style="list-style-type: none"> • Procurement opportunities revisited at end of current contract terms. • Revenue drivers to be suitably adjusted whilst remaining within industry benchmarks. • Cost control measures to optimise margins. • Promote languages as a tool that helps individuals improve their employability. Promote teacher training. • Diversification of markets and product offering; public sector contracts and subscription model.
<p>Cybercrime and associated liability:</p> <p>Key data is hacked leading to loss of business intelligence, personal information and making the receipt of a fine a possibility.</p>	<ul style="list-style-type: none"> • Cyber insurance cover initiated for next insurance renewal. • Preventative measures include: Staff training up to date firewalls and anti-virus protection, regular checks on IT equipment and infrastructure, penetration testing, and other preventative measures identified by Cyber liability assessments.
<p>Loss of accreditation</p> <p>Loss of ISI would mean School cannot issue Tier 4 visas. Loss of Accreditation UK status would mean the school could not trade.</p>	<ul style="list-style-type: none"> • Ensure staffing levels and resourcing is always sufficient to maintain a high level of quality. • Regularly review the accreditation criteria and conduct mock inspections.
<p>Loss of key staff</p>	<ul style="list-style-type: none"> • Succession planning in all divisions. Ensure all new staff receive a suitable induction and are a good fit for the organisation. • The selection procedure must be robust and thorough and lead to the best selection for the role.

As laid out above and through careful planning, the Board is mitigating these risks, which could collectively depress demand for the Trust's core services if not managed. Management have implemented several initiatives to sustain ongoing revenue conversion whilst managing the cost base. A profit improvement program was launched in 2021 which includes enhanced procurement, streamlining processes and cost base, the positive impact of which is visible in the trading results in 2021 and 2022.

The Trust secured a CBILS loan in July 2020 for which repayments and interest commitments commenced in 2021. Management have taken several actions to improve working capital and liquidity including renegotiating contracts, managing working capital outgoings, and reducing the net cash burn each month. These are presented to the Trustees on a monthly basis with the trading update. The cash balance continues to be adequately above the gross and net cash burn rate. The surplus cash position at the end of 2022 will be assessed for investment opportunities and/or loan repayment.

International House Trust Limited

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Trustees' Report

The Trustees have reviewed the Trust's expected future cash flows and have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the charity's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Reserves

Cash generated which is surplus to reserve requirements will be applied to making improvements to the Trust's facilities and investing in further charitable activities.

The Trust's reserves are constituted wholly by unrestricted funds. As of 31 December 2021, the reserves stood at £6,854k (2020: £8,276k and 2019: £10,175k); a decrease of £1,422k resulting from the year's trading deficit driven by the pandemic. The Trust pursues a policy of maintaining and where possible increasing the reserves in order to support the Trust's ongoing activities. The Trust is due to review its reserves policy and set targets in 2022.

The Trustees maintain a planned level of cash and short-term deposits, taking account of:

- The Trust's charitable purposes
- Operational and financial risks and seasonal fluctuations
- Cash which may be needed for future developments.

The underlying free reserves of the company stood at £nil at 31 December 2021 (2020: £nil). The Trustees consider that the current levels of free reserves and cash are adequate, given that:

- The majority of income is received in advance of courses starting which provides the Trust with a strong cash flow;
- The Trust has a history of generating trading surpluses as well as cash inflows from its activities; and
- The Trust has secured a CBILS loan in July 2020.

The Trust maintains its short-term deposits divided between banks in order to obtain the best risk-free market return.

Structure, Governance and Management

The company is governed by its Memorandum and Articles of Association adopted on 2 January 1976 and last amended on 28 September 2009.

International House Trust Limited (the 'Trust'), trades as 'IH London' (IHL) and also at five residential Young Learner Centres, which trade as 'IH Edinburgh', 'IH Ellesmere', 'IH Frensham', 'IH Oxford', and 'IH Moulton'.

There must be at least seven but no more than 15 Trustees. All Trustees are also the members of the company; the guarantee of each member is limited to £1. Trustees serve for a term of four years and may be appointed to serve for one further term (or in the case of a Chair or former Chair two further terms).

Trustees are recruited by advertisement and by the personal recommendation of existing Trustees and are interviewed by the Nominations Committee. Candidates are appointed by a resolution passed by the Board. New Trustees are provided with an induction programme and ongoing training is arranged

Trustees' Report

as needed for all Trustees.

The Board of Trustees met four times in 2021 for four Board Meetings. Major strategic decisions are reserved for the Board, including approval of the budget, capital programmes and senior appointments.

The Board of Trustees delegates day-to-day responsibilities for management to the senior management team, led by the Chief Executive. The Board oversees how this delegation is being managed by the reporting of financial, sales and key management activities to Board Committees, and, where appropriate, to the Board.

Trustees

The Trust benefits from a highly experienced and engaged Board:

Trustee	Committee Membership
Phil Huggon	> Board Chair (From July 2021) > Finance, General Purposes, Audit and Risk Committee > Human Resources Committee
Monica Green	> Finance, General Purposes, Audit and Risk Committee
Ricard Alonso Ferre	> Finance, General Purposes, Audit and Risk Committee
Elizabeth McGlynn	> Finance, General Purposes, Audit and Risk Committee
Tita Beaven	> Social Value Committee > Human Resources Committee (Chair of HRC)
Keith Davies	
Tomasz Mazgaj	
Maxwell Nye	> Social Value Committee (Chair of SVC)
Gareth Hughes	> Finance, General Purposes, Audit and Risk Committee (Chair of FGP&AC) > Human Resources Committee
Roy Cross	> Board Vice Chair (Board Vice Chair from April 2022) > Social Value Committee
Julie Wallis	> Social Value Committee

Angela Dean, a long-standing Chair served the maximum of three terms with International House over 12 years. Angela resigned in July 2021 and Philip Huggon replaced Angela Dean as the Chair.

Additionally, the below Trustees served during the year: Norman Renshaw (resigned October 2021) and Adrian Underhill (resigned April 2022).

Trustees' Report

Board Committees

The Board proposed and implemented some changes in the Committee structure.

The **Audit Committee** consolidated with the **Finance and General Purposes Committee** and renamed as **Finance, General Purposes, Audit and Risk Committee** (which met four times in 2021) is responsible for advising the Board on matters such as the school's business and financial performance, loan servicing, capital expenditure and issues relating to property, monitoring the management of the risks facing the Trust and reviewing the annual financial statements as well as a general remit to prepare issues for presentation to the Board.

The **Public Benefit and Partnerships Committee** was replaced with **Social Value Committee** (which met twice in 2021) is responsible for developing the company's wider social access agenda.

The **Nominations Committee** and **Remuneration Committee** was replaced by **Human Resources Committee** (which met twice in 2021) is responsible for reviewing the composition and governance of the Board, recruiting, and recommending prospective Trustees to the Board for appointment, and for developing policies for managing trustee rotation. Additionally, the Committee is responsible for reviewing and agreeing remuneration policies for all staff. The Committee also is responsible for reviewing and agreeing remuneration policies for senior management, the Trust's 'key management personnel', for which it has been given delegated authority. The emolument for key management personnel is generally benchmarked and based on remuneration to attract the relevant seniority and skills and/or comparable remuneration in the sector. During the year, all key management had seen a reduction on their total emoluments as a number of benefits were curtailed due to the pandemic.

Employee Engagement and Equal Opportunities:

In 2021, the previously existing weekly staff newsletter was fortified by results from the annual employee engagement survey.

IHL runs an annual employee engagement survey through which employee feedback is collated. In response to the results from the 2021 survey a monthly All Staff Meeting was introduced. The agenda for this meeting includes standing items on updates on revenue, strategic initiatives, and progress against annual financial targets. Additionally, there are updates on specific projects, as well as items for discussion raised by staff in the meeting. IHL have also introduced a staff suggestions box and the responses are shared in the weekly newsletter. The Directors host the meeting in turn and provide regular updates on their areas of the business.

All Directorates have regular meetings with their teams to address issues faced by employees as they arise and/or proactively. There is also a good working relationship with the Union who are involved as a first stage in organisational changes impacting human resources, such as new benefits, policy updates, salary reviews and restructures. The CEO and HRD also meet with them on a monthly basis to discuss any emerging issues or queries. This provides an opportunity to resolve any potential problems before they escalate. The Union will often provide feedback on engagement initiatives, such as the questions in the annual employee survey.

The IHL vision, mission and values were recently reviewed and refreshed. As part of this work

Trustees' Report

employees were engaged through multiple forums. This was initially surveyed feedback, which was then discussed in cross organisational focus groups. There were shortlists created for each of the vision, mission and values, in which employees were then able to vote for their preferred choice. In order to embed these a group of champions are being set up for each of the values.

The Director of Operations recently ran focus groups in their department to gather feedback on a range of topics. Similar cross organisational focus groups will be run following the 2022 employee engagement results, as well as departmental ones. In 2022, HR Team have also introduced weekly drop-in sessions for employees to ask questions or raise any discussion points.

Equal Opportunities:

The Trust actively applies its Equal Opportunities Policy to create an environment where all employees are treated with respect and are not subjected to discrimination. IH London believes that the pursuit of equality of opportunity is fundamental to the achievement of the vision and mission.

Our policy statement extends to recruitment and selection, career progression, and training of staff where we encourage fairness and equality. Additionally, we make reasonable adjustments for employees to ensure that staff with disabilities, are not substantially disadvantaged in carrying out their responsibilities.

One such initiative is access to Togetherall, a benefit available to all staff. Additionally, where requested, we have reasonable adjustments for staff to work flexibly and/or hybrid where feasible. Management plan to further strengthen the initiatives in 2022 including launching a Disability Awareness event for international day of persons with disabilities on 3rd December, Carry out diagnostic survey with disabled staff in the organisation, and launch a Disability awareness training for all managers.

Statement of Trustees' Responsibilities

The Trustees (who are the directors of the company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its net incoming resources for that period. 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 Charity Statement of Recommended Practice (SORP).
- Make judgments 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.

International House Trust Limited

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Trustees' Report

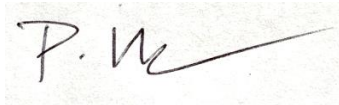
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Trustees is aware:

- There is no relevant audit information of which the company's auditor is unaware.
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Report was approved by the Board of Trustees on 22 September 2022 and signed on their behalf by:

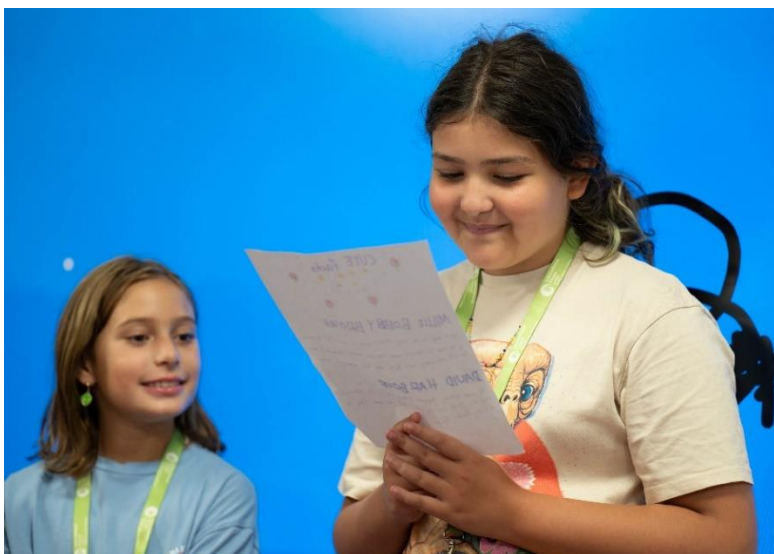


Phil Huggon, Chair

22 September, 2022

International House Trust Limited
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Trustees' Report



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Independent auditor's report to the members of International House Trust Limited

Year ended 31 December 2021

Opinion

We have audited the financial statements of International House Trust Limited for the year ended 31 December 2021 which comprise Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, the Chair's statement and the Chief Executive's statement. 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.

International House Trust Limited

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Independent auditor's report to the members of International House Trust Limited

Year ended 31 December 2021

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns;
or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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Independent auditor's report to the members of International House Trust Limited

Year ended 31 December 2021

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to company and charity law applicable in England and Wales, safeguarding regulations, the Independent Schools Inspectorate, Accreditation UK, health and safety requirements, GDPR and employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011..

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to income recognition and management override of controls. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals entries; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



Tracey Young (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
10 Queen Street Place
EC4R 1AG
London

Date: 27 September 2022

International House Trust Limited

Annual Report and Accounts year to 31 December 2021

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**Statement of financial activities
incorporating an income and expenditure account**

Year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Income from:			
Charitable activities			
Teaching and learning	2	8,333	8,126
Investments		-	1
Other	2	567	993
Total		8,900	9,120
Expenditure on:			
Charitable activities	3	10,322	11,019
Total		10,322	11,019
Net expenditure	14	(1,422)	(1,899)
Net movement in funds		(1,422)	(1,899)
Reconciliation of funds:			
Funds brought forward		8,276	10,175
Total funds carried forward		6,854	8,276

All the above results relate to unrestricted funds.

The notes on pages 29 to 40 form part of these financial statements.

International House Trust Limited

Annual Report and Accounts year to 31 December 2021
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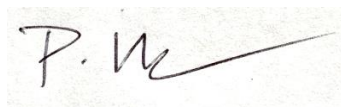
Balance Sheet

As at 31 December 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Tangible fixed assets	8	11,621	12,166
Intangible fixed assets	9	56	221
Investments	10	1	1
		<u>11,678</u>	<u>12,388</u>
Current assets			
Debtors	11	1,692	1,586
Short term deposits		-	-
Cash at bank and in hand		1,348	2,130
		<u>3,040</u>	<u>3,716</u>
Creditors: amounts falling due within one year	12	<u>(4,460)</u>	<u>(3,819)</u>
Net current liabilities		<u>(1,420)</u>	<u>(103)</u>
Net assets less current liabilities		<u>10,258</u>	<u>12,285</u>
Creditors: Amounts falling due after more than one year	13	<u>(3,404)</u>	<u>(4,009)</u>
Total net assets		<u><u>6,854</u></u>	<u><u>8,276</u></u>
The funds of the charity:			
Unrestricted funds		<u>6,854</u>	<u>8,276</u>
Total charity funds		<u><u>6,854</u></u>	<u><u>8,276</u></u>

The notes on pages 29 to 40 form part of these financial statements.

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



Philip Huggon
Trustee and Chair

Date: 22 September, 2022

International House Trust Limited

 Annual Report and Accounts year to 31 December 2021
 Company 01239120

Cash Flow Statement

Year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Cash flows from operating activities:			
Net cash used in operating activities	i	(341)	(1,280)
Cash flows from investing activities:			
Interest received		-	1
Purchase of tangible fixed assets		(4)	(49)
Purchase of intangible fixed assets		(5)	(13)
Net cash (used in) investing activities		(9)	(61)
Cash flows from financing activities:			
Interest payable		(76)	(67)
New Loans and Borrowings		-	2,350
Repayment of borrowings		(356)	(470)
Net cash provided by/(used in) financing activities		(432)	1,813
Changes in cash and cash equivalents in the year		(782)	472
Cash and cash equivalents at 1 January 2020		2,130	1,658
Cash and cash equivalents at 31 December 2021		1,348	2,130

Note i) Reconciliation of net expenditure to net cash outflow from operating activities

	2021 £'000	2020 £'000
Net expenditure for the year (as per the Statement of financial activities)	(1,422)	(1,899)
Depreciation charges	719	684
Interest receivable	-	(1)
Interest payable	76	67
Decrease/(increase) in debtors	(105)	815
Increase/(decrease) in creditors (excluding the bank loan)	391	(946)
Net cash outflow from operating activities	(341)	(1,280)

Note ii) Analysis of cash and cash equivalents

	1 January 2021 £'000	Cash Flow £'000	31 December 2021 £'000
Cash at bank and in hand	2,130	(782)	1,348

Notes to the accounts

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a. Company Information

International House Trust Limited is a private company, limited by guarantee, domiciled in England and Wales (registration number 01239120) and is a charity registered with the Charity Commission in England and Wales (registration number 270860). The registered office is 16 Stukeley Street, Covent Garden, London WC2B 5LQ.

b. Basis of financial statements

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 (FRS102) (Second edition effective 1 Jan 2019) – (Charities SORP (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) and the Charities Act 2011.

c. Going concern

Although 2020 and 2021 saw unprecedented deficit, the Charity rapidly pivoted its operations and delivery to online courses and took substantive steps to improve profit conversion. This combined with steps taken to control costs, CBILS loan and liquidity planning has resulted in revenue retention and sustainable cash flow position for the foreseeable future.

The Trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the charity's financial viability. On that basis they believe the going concern basis of accounting is appropriate for these annual financial statements.

d. Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably. Income received in advance of the provision of a service is deferred until the criteria for income recognition are met. Specifically:

- Tuition fees are accounted for across the period in which the course is provided. Income relating to courses and related accommodation delivered across financial periods is apportioned based on the number of course days that fall in each period.
- Investment income, rental income and trading income are accounted for in the period to which they relate.
- Examination income is recognised in the period in which the examination takes place.

Grants under Coronavirus Job Retention Scheme (CJRS): During the year, the charity utilised CJRS for staff on furlough leave. Government grant income represents the total amount claimed from HMRC under the CJRS. The income is accounted for in the period in which the associated salary payments are made to furloughed staff.

The Trust had no unfulfilled conditions or contingencies attached to the grant income recognised in the year. The Trust did not benefit from any other grants during 2021.

Notes to the accounts

e. Expenditure

Charitable activities result in expenditure related to the direct furtherance of the company’s charitable objectives. All expenditure is accounted for on the accrual’s basis. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the company to the expenditure. The cost headings comprise expenditure directly attributable to the activity.

Direct costs comprise accommodation, teaching salaries and payments, examinations department costs, agents’ commissions, student social programme, teaching materials, student insurance and activities to widen access amongst disadvantaged groups.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. They are allocated directly to the company’s charitable activities following categorisation in accordance with the following table:

Category	Definition
Support staff	All non-direct employee costs, including employees managing teaching staff, including any bonus, redundancy and terminations payments, recruitment, training, and welfare costs.
Marketing and communications	Marketing and communications costs, excluding employee costs.
Establishment and Office	Facility expenditure (including rent, rates, and utilities), and stationery, phone, postage, and IT costs, excluding staff costs.
Finance, legal and professional	Finance costs including bank charges, merchant fees and VAT payable on agent commissions, current gains and losses, legal, surveyor and other professional fees. Employee costs are excluded.
Other expenses	Other costs including travel, hospitality, and subsistence, product development, subscriptions and any other costs not falling within another category.

Governance costs, included within support costs, relate to compliance with constitutional and statutory requirements and include an apportionment of the CEO’s and Finance Director’s employee costs, Trustees’ expenses, and audit fees.

f. Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably; this is normally upon notification of the interest paid or payable by the Bank.

g. Operating leases

Where title to the equipment remains with the lessor, rental charges are charged on a straight-line basis over the term of the lease.

Notes to the accounts

h. Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of the company. There are no restricted funds in the current or prior year.

i. Tangible fixed assets

Tangible fixed assets costing more than £1,000 used by the company over a period of one year or more are capitalised:

- Freehold land is not depreciated.
- Freehold buildings are depreciated over 50 years.
- Fixtures, fittings, and furniture are depreciated over 10 years on a straight-line basis.
- Computers, video equipment, language laboratories and equipment are depreciated over 3 years on a straight-line basis.

j. Intangible fixed assets

Intangible fixed assets costing more than £1,000 used by the company over a period of one year or more are capitalised:

- Course development, website development and software are depreciated over 3 years on a straight-line basis.
- 'SchoolWorks', the school's main management information system is depreciated over 7 years on a straight-line basis, being an estimate of its expected use.

k. Cash at bank and in hand and short-term deposits

Cash at bank and cash in hand are funds available to the Charity. Other cash is categorised as short-term deposits.

l. Debtors

Trade debtors are amounts invoiced and unpaid. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Amounts invoiced but not yet due for payment are recognised as debtors.

m. Creditors

Creditors are recognised when there is an obligation at the balance sheet 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 are recognised at the amount the Trust anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payments where such discounting is material. Course fees in advance are treated as deferred income and are for amounts received, or due for receipt, but where all or part of the course has not yet been provided.

Notes to the accounts

n. Taxation

The company is a registered charity. It is not liable to income tax or corporation tax on income derived from its charitable activities.

As an educational body the company is exempt from charging value added tax (VAT) on its educational services. Where appropriate, expenditure is recorded inclusive of irrecoverable VAT.

o. Estimation uncertainty

In the application of the Charity's accounting policies Trustees are required to make judgements, estimates, and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

p. Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans that are subsequently measured at amortised cost using the effective interest method.

Financial assets comprise debtors less prepayments. Financial liabilities comprise creditors.

q. Pensions

A defined contribution group personal pension (GPP) scheme operated through Scottish Widows is available to all permanent employees with three months' service. The employer's contribution is equal to 3% of basic salary and the employee determines their contribution, subject to the minimum specified by auto-enrolment legislation. The Trust offers a salary sacrifice option and these contributions are included within the employer's pension scheme contributions. Employees who are not eligible for the GPP scheme are auto enrolled into 'The People Pension' in accordance with current employment legislation.

International House Trust Limited

Company 01239120

Year to 31 December 2021

**Notes to the accounts****2 Income from charitable activities**

	2021	2020
	£'000	£'000
Adult Language Courses	3,147	2,942
Young Learners	147	30
Teacher training courses	1,680	2,052
Examination fees	2,962	2,529
Accommodation	397	573
	8,333	8,126

Other income of £567k predominantly comprises of grant from Coronavirus Job Retention Scheme. Total furlough claim in the year was £476k (2020: £900k).

3 Expenditure on charitable activities

	2021	2020
	£'000	£'000
Direct costs of teaching and examinations		
Adult Language courses	1,640	1,824
Young Learners	61	52
Teacher training courses	950	1,073
Examinations	1,860	2,203
Accommodation	593	792
Other direct costs	18	33
	5,122	5,977
Support costs (note 4)	5,200	5,042
	10,322	11,019

4 Expenditure on support costs and governance

	General	Governance	2021
	Support	£'000	£'000
	£'000	£'000	£'000
Staff, including teaching management	2,907	38	2,945
Marketing and communications	280	-	280
Establishment and office	915	-	915
Finance, legal and professional	94	15	109
Write offs and provisions	47	-	47
Depreciation and amortisation	719	-	719
Interest payable	76	-	76
Other expenditure	109	-	109
	5,147	53	5,200

International House Trust Limited

Company 01239120

Year to 31 December 2021

**Notes to the accounts**

	General Support	Governance	2020
	£'000	£'000	£'000
Staff	2,640	41	2,681
Marketing and communications	361	-	361
Establishment and office	1,029	-	1,029
Finance, legal and professional	55	25	80
Write offs and provisions	41	-	41
Depreciation and amortisation	684	-	684
Interest payable	67	-	67
Other expenditure	99	-	99
	4,976	66	5,042

5 Staff costs

	2021	2020
	£'000	£'000
Gross salaries	4,610	5,236
Social security costs	376	428
Employer's pension scheme contributions	284	292
	5,270	5,956
Self-employed and agency staff	463	435
	5,733	6,391

The number of employees whose emoluments for the year (including taxable benefits but not employer's pension scheme contributions or national insurance) exceeded £60,000 was:

	2021	2020
	Number	Number
Employees earning between:		
£100,001 and £110,000	1	1
£90,001 and £100,000	-	1
£80,001 and £90,000	1	-
£70,001 and £80,000	1	1
£60,001 and £70,000	1	3
	4	6

Employer's pension contributions totalling £10,359 (2020: £12,446) were made for the above employees.

Notes to the accounts

The aggregate remuneration, including any applicable employer's national insurance, severance payments and employers pension scheme contributions for 'key management personnel', referred to as the Senior Management Team on page 1, was £487,692 (2020: £484,348).

The average headcount of employees analysed by function was:

	2021	2020
	Headcount	Headcount
Examinations	134	183
Teaching	73	148
Support	133	68
	340	399

During the year redundancy and termination payments of £1,632 (2020: £12,296) were paid.

6 Trustees' remuneration & related party transactions

The trustees neither received nor waived any emoluments during the year (2020: £nil). One trustee (2020: 1 trustee) were reimbursed travelling expenses of £468 (2020: £124) during the year.

One trustee (2020: 1) was engaged in a teaching capacity with a total remuneration of £1,000 (2020: £1,000).

Ricard Alonso is a director of International House World Organisation Limited (IHWO), a company which is 50% owned by International House Trust Limited.

Monica Green holds a controlling interest in IH Torres Vedras language schools, which traded with IH London on standard commercial terms. Monica Green is Executive Director of IHWO and in this capacity is paid by IHWO.

7 Operating leases

The charity has the following future minimum lease payments under non-cancellable operating leases for each of the following years:

	2021	2020
	£'000	£'000
Within one year	17	22
Between one year and five years	8	32
	25	54

Notes to the accounts

8 Tangible fixed assets

	Freehold land and buildings £'000	Leasehold Properties £'000	Fittings, furniture, and Equipment £'000	Total £'000
Cost				
1 January 2021	15,700	913	2,561	19,174
Additions	-	-	4	4
31 December 2021	15,700	913	2,565	19,178
Depreciation				
1 January 2021	4,435	451	2,122	7,008
Charge	323	88	138	549
31 December 2021	4,758	539	2,260	7,557
Net book value				
31 December 2021	10,942	374	305	11,621
1 January 2021	11,265	462	439	12,166

The leasehold properties are an extension to the freehold building at 16 Stukeley Street and office accommodation at Shaftesbury Avenue. 'Freehold land and buildings' includes £3m of non-depreciating freehold land.

9 Intangible fixed assets

	SchoolWorks £'000	Website £'000	On-line Education £'000	Software Licenses £'000	Total £'000
Cost					
1 January 2021	571	227	89	26	913
Additions	-	-	-	5	5
31 December 2021	571	227	89	31	918
Depreciation					
1 January 2021	458	141	89	4	692
Charge	83	69	-	18	170
31 December 2021	541	210	89	22	862
Net book value					
31 December 2021	30	17	-	9	56
1 January 2021	113	86	-	22	221

International House Trust LimitedCompany 01239120
Year to 31 December 2021**Notes to the accounts****10 Investments**

	2021	2020
	£'000	£'000
International House World Organisation Limited (at cost)	<u>1</u>	<u>1</u>

The company owns the Ordinary Trust Share representing 50% of the issued share capital with a book value of £500 and 1 Affiliate Share in International House World Organisation Limited (IHWO). Decisions by IHWO in general meetings can only be made with the agreement of both classes of shareholder and consequently the Trustees do not consider that International House Trust exercises control over IHWO. The accounts are therefore not consolidated on the basis that the charity does not control the financial and operating policies of IHWO. Its registered address is unity Wharf, 13 Mill Street, London, SE1 2BH.

A summary of the results of IHWO are given below:

	2021	2020
	£'000	£'000
Profit and loss account - IHWO Limited		
Turnover	695	704
Cost of sales	(175)	(175)
Gross profit	520	529
Administrative expenses	(473)	(543)
Other income and expenditure	-	20
Tax on profit	(9)	(7)
Profit for the year	38	(1)
Revaluation of tangible fixed assets, less tax	-	(17)
Total comprehensive income/(expenditure) for the year	38	(18)

	2021	2020
	£'000	£'000
Balance Sheet - IHWO Limited		
Fixed assets	555	553
Current assets	384	348
Creditors: amounts falling due within one year	(180)	(217)
Net current assets	759	684
Creditors: amounts falling due after one year	(37)	-
Provisions for liabilities	(49)	(48)
Net assets	673	636

International House Trust Limited: 50% of shareholders' equity	337	318
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During the year the Trust made payments to IHWO of £19,215 (2020: £21,921) on normal commercial terms. No payments (2020: £Nil) were made by IHWO to the Trust.

International House Trust Limited

Company 01239120

Year to 31 December 2021

**Notes to the accounts****11 Debtors**

	2021	2020
	£'000	£'000
Trade debtors	1,169	1,053
Other debtors	320	291
Prepayments	200	241
Staff loans and advances	3	1
	1,692	1,586

12 Creditors: amounts falling due within one year

	2021	2020
	£'000	£'000
Loans repayable within one year	632	383
Trade creditors	639	659
Accruals	738	702
Taxation and social security	90	103
Deferred income: Course fees in advance	2,339	1,944
Other creditors	22	28
	4,460	3,819

Deferred Income

	2021	2020
	£'000	£'000
Opening Balance 1 January 2021	1,944	3,101
Released during the year	(1,798)	(3,055)
Newly Deferred	2,173	1,898
Closing Balance 31 December 2021	2,319	1,944

Income is deferred for courses booked in advance. Deferred income has seen a significant year-on-year reduction attributed to the reduction in forward bookings and the overall decline in revenue due to the pandemic.

International House Trust LimitedCompany 01239120
Year to 31 December 2021**Notes to the accounts****13 Creditors: amounts falling due after more than one year**

	2021	2020
	£'000	£'000
Loan repayable within two to five years	2,340	2,556
Loan repayable in more than five years	1,064	1,453
Creditors: amounts falling due after more than one year	3,404	4,009

In February 2018 the Trust took out loan, over 15 years, with Lloyds Bank PLC. This loan is secured by a fixed charge on the freehold land and building at 16 Stukeley Street. The interest rate is the Bank of England base rate plus 2.50%. Repayments of £382,766 (2020: £470,034) were made during the year.

A CBILS loan of £2,350,000 was availed from Lloyds in July 2020 at an interest rate of 1.92% plus base rate and is secured against Stukeley Street premises. This is repayable over five years from July 2020, with no repayments in the first year and the interest was met by the government.

14 Net expenditure for the year

This is stated after charging:

	2021	2020
	£'000	£'000
Depreciation	719	684
Auditor's remuneration:		
Audit fees	14	25
Leasehold property rent	323	345
Operating leases equipment	22	22
Interest payable	76	67

15 Analysis of net borrowing

	1 Jan 2021	Cashflow	Non-cash	31 Dec
	£'000	£'000	changes	2021
			£'000	£'000
Loans falling due within one year	(383)	356	(605)	(632)
Loans falling due after one year	(4,009)	-	605	(3,404)
	(4,392)	356	-	(4,036)
Cash at bank and in hand	2,130	(782)	-	1,348
Short term deposits	-	-	-	-
	(2,262)	(426)	-	(2,688)

International House Trust LimitedCompany 01239120
Year to 31 December 2021**Notes to the accounts**

	1 Jan 2020	Cashflow	Non-cash	31 Dec
	£'000	£'000	changes	2020 £'000
			£'000	
Loans falling due within one year	(297)	72	(158)	(383)
Loans falling due after one year	(2,215)	(1,952)	158	(4,009)
	(2,512)	(1,880)	-	(4,392)
Cash at bank and in hand	956	1,174	-	2,130
Short term deposits	702	(702)	-	-
	(854)	(1,408)	-	(2,262)

16 Share capital

The company is limited by guarantee and does not have share capital. Members are not entitled to any dividends or to a share in the assets on dissolution. Each member undertakes to contribute up to a maximum sum of £1 on winding up. Each member has one vote. There were 13 members as at 31 December 2021 (2020: 11).

17 Ultimate controlling party

The charitable company is under the ultimate control of the board of Trustees.

INTERNATIONAL HOUSE TRUST LIMITED

England & Wales - Charity number 270860

Accounts





Trustees' Report and Financial Statements

31 December 2020

International House Trust Ltd
A company limited by guarantee (01239120)
Registered Charity (270860)

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International House Trust Ltd

Annual Report and Accounts year to 31 December 2020

Company 1239120

Reference Information

Board of Trustees	Phil Huggon (Chair since July 2021) Angela Dean (Chair till July 2021) Adrian Underhill (Vice Chair) Elizabeth McGlynn Keith Davies Maxwell Nye Monica Green Norman Renshaw Ricard Alonso Ferre Tita Beaven Tomasz Mazgaj
Senior Management Team	Mark Rendell (Chief Executive) Karen Smith-Watson (Interim Finance Director till April 2021) Vimala Jayaraman (Finance Director since April 2021) Eleanor Maly (Director of Education) Lawrence Jackson (Sales and Marketing Director) Eve Truszkowska (Director of Assessment) Alex Cann (Director of Young Learner Programmes)
Registered office	16 Stukeley Street, Covent Garden London, WC2B 5LQ
Website	www.ihlondon.com
Company registration number	01239120, incorporated on 2 January 1976 (England and Wales)
Charity registration number	270860
VAT registration	GB 1061 801 56
Auditors	Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG
Bankers	Lloyds Bank, 39 Threadneedle Street, London EC2R 8AU Allied Irish Bank (UK) PLC, 10 Berkeley Square, London W1J 6AA
Solicitors	Russell-Cooke, 2 Putney Hill, London SW15 6AB

International House Trust Ltd

Annual Report and Accounts year to 31 December 2020

Company 1239120

Chair's Report

International House London continued to see the strength of the turnaround achieved in 2019 into the start of 2020, prior to Coronavirus being declared as a pandemic. Jan and Feb 2020 saw a total YoY revenue growth of 19%, despite some slackening in the global markets in these months.

The organisation relies on international students travelling to the UK. The global markets signalled a weakening due to COVID earlier in March, which was exacerbated when World Health Organisation declared COVID as a pandemic and London went into lockdown. March and the subsequent months in 2020 saw the significant adverse impact of Coronavirus declared as a pandemic.



The senior leadership team and staff rapidly pivoted to an online delivery model and remote working to limit disruption to operations. The testament of the agility and successfully switching to a digital offering is evident in the 2020 revenue of £9.1m and in retaining 55% of 2019 pre-pandemic turnover.

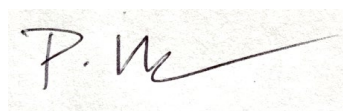
Additionally, we delivered across the board in terms of industry rankings including International House London being in the top 1% of all UK Language Schools in British Council UK Accreditation inspection. The joint EAQUALS and IHWO inspection also provided many compliments on our work.

Financially, to address the challenges posed by the pandemic, we rapidly took action to limit losses by utilising the furlough scheme and secured a CBILS loan to support working capital and cash flow requirements. Regular trading and cash updates with the Trustees ensured that the Committees and the Board were appraised of the trading and the liquidity position to enable the organisation to take necessary and timely actions.

Whilst 2021 continues to be challenging, the strength of the operating model of International House London combined with the excellence of course content and delivery resulted in sustained demand for our courses and assessments, both in face-to-face and digital platforms.

We have taken the opportunity of the slack trading to lay strong foundations to drive efficiencies, achieve turnover growth, and sustain the quality of delivery in the post-pandemic era. Although 2021 continues to be riddled with changing travel restrictions and regulations, the organisation is well placed to remain sustainable growth and YoY financial improvements.

I would like to thank the board of trustees for their time and support to IH during this unprecedented year. Mark as CEO, the Senior Management Team and all the staff have worked tirelessly through the pandemic so thank you to all of them. Lastly, an enormous thankyou on behalf of IH and the board to Angela Dean the outgoing chair who served IH for 12 years. She has been a great support to me as incoming chair and to the organisation as a whole and we will miss her energy and wise counsel.

A handwritten signature in black ink, appearing to read 'P. Huggon', written over a light-colored, textured background.**Philip Huggon**

Chair

24 September 2021

International House Trust Ltd

Annual Report and Accounts year to 31 December 2020

Company 1239120

Chief Executive's Report

Our Brave New World

It was Friday, 20 March 2020, the global Covid-19 pandemic (known as coronavirus at the time) was spreading at an alarming rate in the UK and we had just sent all our students and staff home following the Government-mandated suspension of face-to-face teaching. We anxiously looked around at each other for the final time for what was to be almost half a year and wondered what the future held in store.

Our teams rolled up their sleeves and on Monday, 23rd March 2020 a new online version of International House London was launched. Soon, every teaching and training programme had been adapted to be delivered expertly online. All of our staff were forced to come to terms with working virtually from their homes.

The response from our staff was incredible. Our teams ensured that students could almost seamlessly continue their language and teacher training education online. New skills were acquired by staff at breath-taking speed.

Our teams were determined to demonstrate that their collective expertise could make the transition to online a success and the majority of our students were surprised at how good the online learning experience could be for them.

A Positive Q1 2020

IH London had performed well in the first quarter of 2020 continuing the positive growth trend observed in the previous two years. The school was ahead of budget with strong future bookings particularly in the young learner segment.

IH London Outperforms the Market

The school remained closed to face-to-face teaching and training from March to September. Our exams business managed to resume testing in London in June with a phased resumption in other parts of the country.

With the ELT industry in state of near collapse, IH London managed to generate 55.5% of the revenue that it generated in 2019. A diversified portfolio of products paid dividends and two product divisions unbelievably exceeded the revenue figures produced in 2019.

Our Modern Languages department made a smooth transition to online learning and interest in our courses remained very high as Londoners stayed home. For many, our courses provided a valuable social and intellectual connection with the world during a time of severe restrictions on the movement of people.



Mark Rendell
Chief Executive Officer

“The pandemic may have been the worst crisis that we have faced in a generation, but it has also provided our organisation with the greatest opportunity in a generation to modernise, innovate, and to transform our operating model.”

International House Trust Ltd

Annual Report and Accounts year to 31 December 2020

Company 1239120

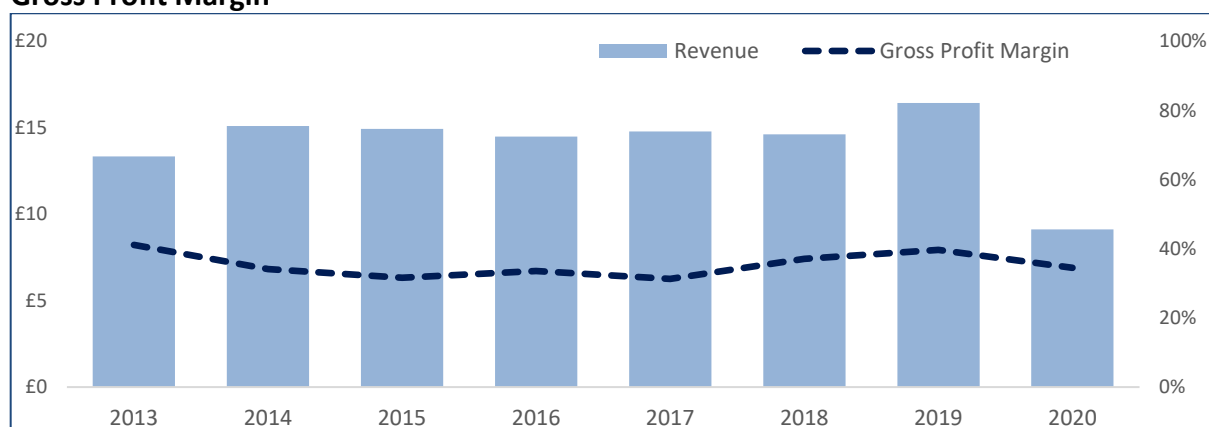
Chief Executive's Report

Our teacher training department worked closely with Cambridge English to adapt the CELTA to an online format and there was strong interest in the product as local people looked to reskill and overseas markets, particularly China, took advantage of the availability of the qualification without the need to travel to the UK.

The hardest hit product was general English but despite some initial market reticence the online programme has remained viable for the duration of the crisis. We saw a 51.2% drop in revenue, but this compares very favourably to the average drop of 85% in student numbers as recorded by English UK member schools in the private sector. The wider market also saw a 75% reduction in student weeks.

The sudden and drastic drop in the market has devastated the ELT sector with around 50 centres already closing and many more struggling to survive.

Gross Profit Margin



As depicted above the school continued to maintain a very competitive gross profit margin on the language products that it produced. This is despite the effect of social distancing which necessitated a reduction in class size and the shift to online learning which had to be slightly discounted to meet public perceptions of online learning and also had smaller class sizes than the face-to-face alternative.

At a Glance: 2020 in Numbers

Turnover	£9,120k
YoY Turnover Retained in Pandemic Year	55.5%
Deficit	(£1,899k)
Consecutive years in operation	63

International House Trust Ltd

Annual Report and Accounts year to 31 December 2020

Company 1239120

Chief Executive's Report

A turnover of £9,120k (2019: £16,438k) was very strong given the trading conditions, however, the organisation posted a deficit of (£1,899k).



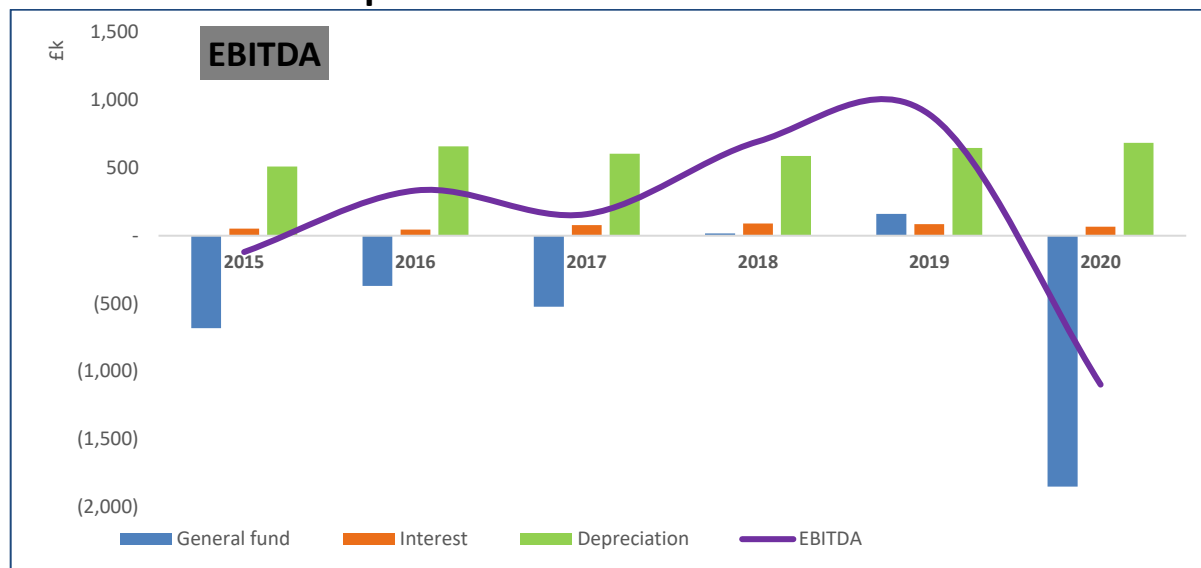
In addition to the plunge in revenue, the main contributing factors to the loss were the liabilities that could not be discharged. This included a contract for residential accommodation with Greystar and a rental agreement for office space at Shaftsbury Avenue.

The school had a commitment for 50 beds with Greystar which remained valid to September 2021. Residential accommodation is the most popular accommodation category and without control over a stock of rooms the school would find it difficult to trade. The school incurred a loss of (£879k) on its accommodation services. The residential provider offered limited relief during a specific three-month lockdown period.

IH London has a 10-year rental agreement for office space at Shaftsbury Avenue. The office was sublet to the British Council, but this agreement expired in April 2020 leaving the offices unused. The contract expires in February 2022. The school incurred a loss of (£266k) on this contract.

The combined losses from these two contracts (£1,145k) matches the EBIDTA loss of (£1,149k). This demonstrates how well operationally the school managed to navigate the pandemic period.

Chief Executive's Report



Government Support

The school availed itself of some of the government support that was available during the pandemic. The school secured a CBILS loan of £2.3m in July 2020. The fact that IH London managed to secure the loan was testament to the confidence that the bank had in the viability of IH London. Many in the sector were unsuccessful in the utilisation of this source of funding.

The school was also forced to furlough some staff although many departments remained very active through the duration of the pandemic.

The ELT sector was largely excluded from local government support in the form of business rates relief and Additional Restrictions Grants (ARG) support which was unfortunate as the disruption for many businesses proved to be on a par with the hospitality and retail sectors.

Coming Through the Storm Together

Our Staff

The staff of IH London have proven to be tremendously flexible and determined acquiring a new way of working almost overnight. Many have been busier than ever with programmes in high demand from students while other departments have had to operate on reduced capacity meaning furlough had to be utilised.

All staff members took a wage reduction for several months and these actions plus furlough have saved many jobs and livelihoods. I am proud that IH London has not had to make the large-scale redundancies that many other organisations in the sector have had to undertake. We were determined to come through this crisis together and the staff have really pulled together and shown tremendous resilience and belief in IH London.

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Chief Executive's Report

The Management Team

The management team have been a significant asset to the organisation during the pandemic period and deserve special thanks. The talented team is comprised of a lot of industry knowledge and experience and each member has played an invaluable role in helping the organisation to survive. I should start by mentioning our interim finance director, Karen Smith-Watson, who came in at the start of the crisis and helped the organisation to obtain the CBILS loan. Karen proved a very steady hand delivering accurate financial forecasting during the first stage of the pandemic.

Whilst the young learner department was unable to contribute very much revenue in 2020, Alex Cann, the Director of Young Learners, worked closely with our summer organisations to ensure that our organisation did not have to bear the cost of the cancellation of the summer programme. Our thanks to our summer partner institutions for being so understanding.

Eleanor Maly, our Director of Education, was well prepared for the switch to online and the transition was very effectively managed. We have further strengthened our General English project with a partnership with the online content platform, Guided E-Learning.

Our exams team is led by Eve Truszkowska, and Eve had the job of managing one of the UK's largest examination centres under Covid-safe social distancing restrictions. The customer journey was planned in meticulous detail to ensure that test candidates stayed safe.

Finally, our new Director of Sales and Marketing, worked closely with our partners in order to persuade students to defer their courses to a future date. This provided valuable breathing space during the early stages of the pandemic. The team has reoriented the marketing and sales effort to focus on direct marketing and the UK market especially for modern languages and teacher training.

Our Students and Agents

I'd like to thank our students and partner organisations for their understanding, patience, and flexibility during this crisis. The vast majority of our students switched to online learning reluctantly at first but with an open mind. Many now prefer the format and the freedom that this form of interaction brings.

The students that we have had in the school have been really keen to make the most of the opportunity and have been fantastic to teach and train.

Our partners overseas have been very supportive, and I am delighted that we have managed to retain a lot of their student referrals in the form of course deferrals as well as helping to facilitate any refunds that were needed in cases where students were reluctant to come to the UK or were not permitted to travel overseas.

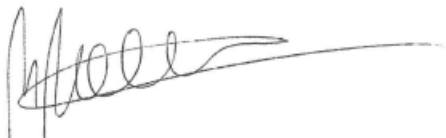
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Chief Executive's Report**The Board**

I would also like to thank our board and especially the outgoing Chair, Angela Dean. Angela has served IH London for twelve years and her experience and supportive ear proved incredibly helpful especially during some very challenging periods. The Board have also been very understanding and have worked diligently with the responsibility of protecting the Trust and from the increased workload of attending the additional extraordinary meetings that were called throughout the year.

Angela is succeeded in the role of Chair by Phil Huggon and I'm looking forward to working with Phil in the future.



Mark Rendell, Chief Executive Officer

Date: 24 September 2021

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Chief Executive's Report

Introduction

International House (IH) was founded in 1953 in Cordoba, Spain by John and Brita Haycraft and is now one of the world's largest and best-known groups of language schools. IH schools teach over 200,000 students every year and employ over 5,800 teachers.

The London school opened in 1957 in Covent Garden and became an Educational Trust in 1974. IH London is also known as International House Trust Ltd. IH London has a major share in the London-based International House World Organisation (IHWO) which is the body that was established to oversee the network of globally affiliated language schools located in 48 countries spanning every continent and to manage the IH brand.

Founders, John and Brita, had the goal of using language learning as a tool to help bring the world back together following the ravages of the second world war. They were also committed to raising the standards of English language teaching and training worldwide and created the forerunner of the industry-leading CELTA teacher training qualification.

Schools in the network teach English, Spanish, German, French, Japanese, Arabic, and a wide variety of other languages to adults and young learners. Across the network, IH schools train about half of all CELTA graduates in the world. IH London also specialises in the delivery of examinations including IELTS.

Our Areas of Expertise

International House London is a world leader in language teaching, training, and testing. Our activity in the UK is primarily in the field of educational tourism.

We believe that by delivering quality language and communication training, we act as a force for change, bringing people together, enhancing mutual understanding and tolerance, and unlocking human potential.

Our educational portfolio of face-to-face and online learning includes:

- English language teaching for students aged over 16 years of age during the daytime and in the evening. This includes general English, IELTS and the Cambridge main suite of exam courses. Students travel from overseas and take courses for periods of one week to up to a year.
- Specialist communications training for professionals aged over 21 in our dedicated Executive Centre and online.
- English language teaching with activities and specialist subjects for under 18s in London, at five other seasonal locations around the country, online and overseas on demand.
- Teacher training for CELTA and DELTA candidates online and in London, a range of shorter specialised courses for language trainers, and numerous projects overseas.
- Foreign languages for residents of London and elsewhere online. IH London delivers courses for over 11 languages.
- The delivery of exams from the London centre and in locations around the UK, Israel, and Nigeria. Exams include: IELTS, IELTS, SELT and OET.

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Trustees' Report

Our Covent Garden School

Our large adult school is located in the popular Covent Garden area in central London. Our modern air-conditioned school has nine floors with a large library, café, computer centre, comfortable social spaces, reception, and fully equipped large bright classrooms.

What makes International House London stand out?

- We are an educational trust and a not-for-profit organisation.
- We are a well-known and trusted brand built up over 60 years of innovation and industry leadership. We created the first teacher training courses (the forerunner to today's CELTA). We operate globally and have delivered programmes in many countries. There are over 160 International House schools located in 52 countries around the world.
- We have a high degree of academic integrity and authority. Most of our teachers are diploma-qualified, many of our teachers have been published and we have trained a high percentage of today's EFL teachers. We also share our expertise through hosting and attending industry workshops and conferences.
- We have a very experienced and professional team, and we aim to attract and retain the best talent in the industry. We offer our academic staff a wide range of professional development and industry opportunities.
- We offer the best value proposition and quality in central London according to the EL Gazette's Best of Britain 2019 Guide. We achieved 14/15 strengths in our British Council inspection, and we also hold accreditations by the Independent Schools Inspectorate and EAQUALS.
- We offer the most complete range of language services available in the market in the UK today and have the largest market share in teacher training and the IELTS examination.
- We are situated in one of the largest English language centres in the UK, located in the famous of Covent Garden, in the cultural heart of London.
- We are innovators. We pioneered the CELTA qualification, are the only school to offer the Distance Delta in partnership with the British Council, we were the first school in London to offer face-to-face OET preparation courses for medical English and we were the first to market our school in virtual reality (VR).

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Strategic Report

Strategic Goals

International House London developed a new three-year strategy in 2019 with the five key goals outlined below:

1. Become a sustainable organisation	To generate a sustainable surplus to allow the School to continue to invest in and fulfil its charitable purpose. To ensure this we will grow a differentiated but focused product portfolio and reduce our dependency on single sales channels, geographical location, markets, and product. We will encourage innovation, address the needs of our students, focus on organic and inorganic sales growth, and improve margins.
2. To be the employer of choice	We have a loyal and committed staff who are leaders within the industry. We will strive to attract and retain the most talented personnel in the industry.
3. Deliver outstanding service and performance	We recognise that we are a service industry operating in the educational tourism sector. Customer service and the student experience are key differentiators, and we will focus on the outputs of our learners.
4. Innovate and offer new benefits	Since IH London's launch of the forerunner to the CELTA qualification we have been innovators and we will continue to innovate and embrace new ideas and technologies.
5. Widen our accessibility and reach	We are confident in the quality of our language services. We want to break barriers and open up new frontiers to bring our services to more people around the world. This will be achieved through technological advances and delivering our products in new markets.

Senior Management Changes:

CEO, Mark Rendell joined International House London in January 2019. Mark is currently Chair of English UK, he is a member of the Accreditation UK Executive Board, a member of the Cambridge Assessment Standards Committee and a director on the IHWO Board.

Eleanor Maly returned from maternity leave as Director of Education in March 2020. Lawrence Jackson was promoted to the position of Director of Sales and Marketing in December 2020. Alex Cann was appointed as Director of Young Learner Programmes (SMT level) in August 2020. Joseph Lowe, Finance Director, resigned in July 2020 and was replaced by Karen Smith-Watson, an experienced Interim Finance Director with the FD Centre.

Eve Truszkowska continued to be Director of Exams in 2020.

Achievements and Performance

Sales and Marketing

Our sales led organisation successfully pivoted to pursue a more direct sales strategy with a focus on products that were attractive to the UK market. A stable, experienced, and talented sales team successfully delivered strong sales retention in the turbulent times and continue to target growth for 2021.

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International House Trust Assessment (Exams)

We are a leading international language exams centre with IELTS and OET being delivered in multiple locations around the UK, Ireland, Israel, and Nigeria. Our exams provision was halted during the first lockdown in 2020 but remained open for other periods as our exams performed a national service in servicing the healthcare sector and immigration. 2020 saw a fundamental shift away from paper-based testing to computer-based testing especially with IELTS. We have become the third biggest provider of the new OET exam in the world.

Young Learners

Prior to the pandemic, young learners was a growth sector in UK ELT. The department went to market in 2020 with five seasonal locations. These included: Oxford, Ellesmere, Moulton, Newbattle (Edinburgh) and a new campus at Frensham.

Unfortunately, due to the pandemic no face-to-face teaching took place. An online product replaced the face-to-face product in the summer but there was little interest in this type of delivery for this age group.

However, we continue to see this as an area of growth and the recent announcement limiting the amount of extra-curricular study in China may stimulate additional long-term interest in study abroad in this key market.

General English and Executive Programmes

General English was badly affected by the pandemic, but we developed a sustainable online presence which was augmented by an excellent online learning portal. Our more popular courses were courses with intrinsic value such as IELTS or professional English.

Our one-to-one executive programme proved quite successful through 2020 and this form of online learning seems to offer busy executives the opportunity to continue to balance, home, study, and work in a more effective manner.

Teacher Training

International House London enjoyed a very strong year for teacher training. We successfully won a number of British Council tenders which saw us delivering insightful and projects in Africa and other locations.

In March 2020 following the outbreak of the Covid-19 pandemic, Cambridge announced that the CELTA qualification could be delivered fully online. IH London worked in partnership with Cambridge to quickly adapted its programmes to online and capitalised on huge previously untapped demand.

Foreign Languages (Modern Languages)

Our foreign languages provision was another success story in 2020. The switch to online proved very popular and continues to outstrip the demand for face-to-face learning. A large section of the commuter workforce continues to work from home and online learning is convenient, just as interactive as face-to-face learning and more time efficient.

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Systems

In order to improve the reliability and resilience of the organisation we have migrated our information systems to Office 365 and the Cloud. This proved invaluable when the workforce needed to work remotely at the start of the Covid-19 pandemic.

We have augmented our online learning with an excellent off the peg learning platform called Guide E-Learning. We have significantly upgraded our level of financial management in the past twelve months to increase the level of management data and information available.

Future Outlook

Winston Churchill said, *"Never let a good crisis go to waste"*.

The trading outlook is expected to remain challenging until well into 2022 but our market intelligence suggests that there remains significant pent-up demand for travel and for language learning in the UK.

The pandemic may have been the worst crisis that we have faced in a generation, but it has also provided our organisation with the greatest opportunity in a generation to modernise, innovate, and to transform our operating model.

At the time of writing the vaccine appears to have successfully reduced the risks of significant illness and the restrictions in the UK have been entirely lifted. Large parts of the economy are returning to normal, but the international travel sector is expected to lag behind and be among the last to recover until restrictions overseas are lifted and confidence rises.

There is the lack of certainty about the ability to travel because of the changing traffic light system of controls. Travel is also a little more complex with less choice of flights and routes and costly and inconvenient Covid testing requirements. There is also the danger of new variants and strains of the virus. We also expect China, our biggest market, to remain inactive until the second half of 2022.

Due to the pandemic, we have not been able to measure the full effect of Brexit on the industry. The short-stay European market almost completely collapsed during the period of the pandemic. EU nationals will not be able to enter the UK using their national ID card from October 2021 and this might have a disruptive effect for the young learner market especially.

Despite the uncertain market outlook for the ELT sector, International House London stands in a solid position to be able to meet those challenges and to trade successfully. A large number of schools have either closed or suspended operations, so the UK market has shrunk. There will be new entrants to the industry, but it will take time for them to build or rebuild their levels of expertise and their networks.

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Sales remain comparatively strong in all activities except young learners, and we have retained the vast majority of our in-house expertise and capability. We have further improved our reputation for reliability by remaining very active during the pandemic and by working constructively with our overseas partners when refunds have been required by students. Our key relationships remain strong.

Digitalisation has opened up exciting new opportunities for us in terms of new products, how we work together and how we do our jobs more effectively. We believe our online offer will continue to flourish particularly with academic and specialist courses and with modern languages. Our exam business has heavily pivoted towards computer-based testing.

We will continue to work flexibly into the future, and we understand the need to continue to improve our central support functions in finance and human resources. We expect the job market to become more competitive as a result of Brexit and we need to ensure that we remain an employer of choice in our sector.

The pandemic period has allowed International House London to closely interrogate its cost base to find savings across the board. We will continue to develop our digital systems and processes to allow our staff to focus on more creative processes, service, and income generation.

We are still standing (shoulder-to-shoulder), and although we must proceed with caution we can look to the gradual recovery of the sector with some sense of optimism.

Financial Review

The significant progress made in 2019 which enabled the Trust to deliver a strong EBITDA continued into the first quarter of 2020, before the pandemic severely disrupted trading in March 2020.

Despite the non-existent trading conditions, the Trust retained a little more than half of its normal year revenue and finished 2020 operating revenue at £8,126k, excluding other income. Underlying trading revenue for all products saw a YoY reduction with the exception of Teacher's Training and Modern Languages Public, both of which saw an increase against the buoyant prior year trading.

Young Learners trading in 2020 was a nominal due to cancellation of all face-to-face courses. The rest of the divisions retained some proportion of the revenue from the Trust rapidly switching to online course delivery.

Despite the challenging trading conditions, absence of revenue in Young Learners division and slack trading conditions in the Accommodation division, the Trust finished the year with a total revenue of £9,120k. The Trust is well placed to continue its revenue retention into 2021.

In addition to the revenue actions, numerous management actions were implemented to reduce the expenditure base and maximise margins. This combined with swift management actions to

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rapidly pivot to an online delivery model resulted in retaining gross profit at 34% (2019: 40%). This (6%) slippage of margin against 2019 was predominantly attributed to lack of revenue in Accommodation and Young Learners resulting in both divisions finishing the year generating losses due to insufficient revenue to cover fixed costs. Excluding this, gross margin would have been at 43%, a 3% improvement against 2019.

Operational overheads were reduced by £1,316k to mitigate the impact of reduced revenue to generate a surplus.

Expenditure for the year on charitable activities was £11,019k (2019: £6,279k). Net expenditure was (£1,899k) (2019: £160k), a slippage of (£2,059k), equivalent to (20.8%) of income.

The Trust availed £2,350k against the Coronavirus Business Interruption Loan Scheme (CBILS) in July 2020 which did not have a repayment or an interest in 2020. The secured debt was reduced by £470k (2019: reduced £283k), reducing the loan to £2,042k as at 31 December 2020 (2019: £2,512). The loan is secured on the property at 16 Stukeley Street and is repayable over the next 12 years (2019: 13 years).

Including the CBILS loan, the Trust finished the year with cash of £2,130k (2019: £1,658k) without a recourse to an overdraft and considerable fixed asset.

Public Benefit

In reviewing the charity's aims, and putting them into action, the trustees have taken account of the Charity Commission's guidance on public benefit.

The Trust provides services for the advancement of education, a charitable purpose recognised by the Charity Commission. Whilst the Trust is required to charge for its services in order to fund their provision, it also offers programmes at low cost. In addition, the Trust also delivers professional development of language teachers so as to raise language teaching standards worldwide.

We provide a substantial programme of lessons at a nominal cost both in English as a Foreign Language and in Modern Languages to disadvantaged people in London, widening access to those who might not be able to afford the full cost of such courses. These courses are accessible to all citizens.

These courses are provided by supervised trainee teachers on initial teacher training courses or by experienced teachers taking a more advanced training course, usually the Cambridge DELTA. Those benefiting include unemployed people, recent migrants, refugees, and others who can demonstrate their need.

We also continue to support Refuaid, an organisation that helps refugees and Crisis, an organisation that helps the homeless. Support includes free general English, exam preparation and subsidised teacher training programmes.

The Trust continues to operate in alignment with the objects in its Memorandum and providing courses in English and other languages, teacher training and professional development programmes, and language testing services.

In 2020, the Trust delivered 3,844 weeks of free English language courses.

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During 2020, we were unable to run face to face events. We will continue to host the annual teacher training conference on which attracts an international audience focussing on professional development for teacher trainers and the improvement of language teaching standards.

Our face-to-face language programmes include access to a social programme that is based on activities and engagement in the local community and culture. Our online social activities have more of a cultural focus and many of the activities help promote awareness and mutual respect.

At the start of the Covid-19 pandemic our programmes shifted online. During lockdown periods our programmes provided a vital social outlet for those feeling isolated at home and offered active mental stimulus during a psychologically demanding time.

International House London is also very actively engaged in helping to raise standards within the English Language teaching industry (ELT). Several teachers have been published and our teachers regularly deliver free workshops at leading industry events. Our CEO is Chair of the national trade association (English UK) that represents ELT in the UK and is a member of the Accreditation UK inspection scheme board. Other members of the SMT are involved on an unpaid basis with the finance panel, special interest groups and local associations.

Our exams were permitted to continue for most of the period of pandemic because they performed an important national service by providing credentials for prospective front line health professionals to be able to join the NHS, by supporting the UK's visa system and by underpinning access to the UK's higher education system.

The school has reformed its Public Benefit Committee under the new guise of the Social Value Committee. The new committee which reports to the Board has been tasked with providing oversight of the activities and initiatives of the organisation that bring public benefit and monitors social and environmental impact.

International House World Organisation

International House Trust Ltd holds 50% of the authorised share capital (plus one affiliate share) of International House World Organisation Limited (IHWO), a company serving the international affiliate network of over 137 permanent school sites in 48 countries. IHWO sets quality standards for its affiliates, currently branded as the 'IH Charter' and regularly inspects the Trust to monitor the School's compliance. Further details about the IHWO network is provided on their website, www.ihworld.com.

Accreditations and Professional Memberships

IH London places great importance on the quality of the teaching, training and other related services that are provided through its schools. As a result, it has a number of accreditations and memberships that help ensure quality is maintained and, where possible, improved. The Trust's key accreditations and memberships are:

- *Independent Schools Inspectorate (ISI)* – ISI run a government-approved quality assurance scheme that accredits independent schools which allows them to issue Tier 4 student visas. As a result, the Trust holds a Highly Trusted Sponsor licence, (5BY3ENNA5), issued by the UK Visa and Immigration Authority.

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- *Eaquals (Evaluation and Accreditation of Quality in Languages Services)*, is an international accreditation scheme for quality language providers. The Scheme provides and inspection and membership service.
- *Accreditation UK* - the accreditation scheme jointly run by the British Council and English UK is the leading quality assurance in the UK for the ELT sector. Both the School and the Young Learners division are inspected at least every four years.
- *English UK* - the Trust is a member of the professional body representing the accredited English language teaching and language training sector.
- *Cambridge Assessment* - for Cambridge teacher training and examinations. IH London is also a British Council approved IELTS Centre for both the standard IELTS and the secure (SELT) IELTS
- International Association of Teachers of English as a Foreign Language (IATEFL) - is an association for teachers, lecturers, teacher trainers, academic managers, researchers, and institutions involved in English Language Teaching (ELT) with a mission to link, develop and support English Language Teaching professionals worldwide.

Risk Management

The Trust has a comprehensive risk management policy. The Audit Committee regularly scrutinises the risk register and risk mitigations, prepared by the senior management team, before recommending it to the Board. The primary risks identified by the Board are:

Primary Risks	Mitigations
Covid-19 Global Pandemic <ul style="list-style-type: none"> • A huge and dramatic reduction in international travel • Forced closure of the building • Staff shortages due to illness 	<ul style="list-style-type: none"> • A quality online alternative developed for each product. A learning portal has also been launched for adult learners. • The building has been converted so that it meets Covid secure guidelines. • A CBILS loan has been secured to provide ongoing liquidity. • A cost reduction programme initiated. • Enhanced marketing and social media presence and regular comms with partners • The sales team has been retained to manage our stakeholder relations and a significant portion of business has been retained. • We have migrated all of our information systems to the Cloud to facilitate home working.
Brexit <ul style="list-style-type: none"> • Reputational damage in Europe. • Loss of work rights for EU nationals (students and staff) 	<ul style="list-style-type: none"> • Membership and representation through English UK to champion UK ELT. • Sales focus on new markets in diverse locations around the world. • From January 2021, students will no longer require a study visa to learn English for up to six months. A standard tourist visa will be sufficient.

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China <ul style="list-style-type: none"> • Geopolitical tensions over Hong Kong 	<ul style="list-style-type: none"> • Retain a sales office in Shanghai and maintain visibility and good communication. • Ensure that the school is not over-dependent on any single nation or region.
Global warming <ul style="list-style-type: none"> • Concerns about carbon footprint 	<ul style="list-style-type: none"> • Emphasise the positive aspects of international travel and cooperation. • Ensure the School reduced its carbon footprint. • Carbon offsetting is included in the price for all young learner programmes. Make available to adult students. • Develop more in country delivery.
Loss of accreditation <ul style="list-style-type: none"> • Loss of ISI would mean School cannot issue Tier 4 visas. • Loss of Accreditation UK status would mean the school could not trade. 	<ul style="list-style-type: none"> • Ensure staffing levels and resourcing is always sufficient to maintain a high level of quality. • Regularly review the accreditation criteria and conduct mock inspections.
Loss of relevance <ul style="list-style-type: none"> • Offering products that are no longer relevant to students 	<ul style="list-style-type: none"> • Focus on language products that have intrinsic value for students and help them to secure their life objectives. • Ensure that we continue to innovative and have a growth mindset.
Loss of key staff	<ul style="list-style-type: none"> • Succession planning in all divisions. • Ensure all new staff receive a suitable induction and are a good fit for the organisation. • The selection procedure must be robust and thorough and lead to the best selection for the role.

As laid out above and through careful planning, the Board is mitigating these risks, which could collectively depress demand for the Trust's core services if not managed. Management have implemented several initiatives to sustain ongoing revenue conversion whilst managing the cost base. A profit improvement program was launched in 2021 which includes enhanced procurement, streamlining processes and cost base, the positive impact of which is visible in the trading results in 2021.

The Trust secured a CBILS loan in July 2020 for which repayments and interest commitments commenced in 2021. Management have taken several actions to improve working capital and liquidity including renegotiating contracts. These are presented to the Trustees on a monthly basis with the trading update.

The Trustees have reviewed the Trust's expected future cash flows through to December 2022 and have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the charity's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

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Reserves

Cash generated which is surplus to reserve requirements will be applied to making improvements to the Trust's facilities and investing in further charitable activities.

The Trust's reserves are constituted wholly by unrestricted funds. As at 31 December 2020 the reserves stood at £8,276k (2019: £10,175k); a decrease of (£1,899k) resulting from the year's trading deficit driven by the pandemic. The Trust pursues a policy of maintaining and where possible increasing the reserves in order to support the Trust's ongoing activities. The Trust is due to review its reserves policy and set targets in 2022, aligned with the budget planning process.

The Trustees maintain a planned level of cash and short-term deposits, taking account of:

- The Trust's charitable purposes
- Operational and financial risks and seasonal fluctuations
- Cash which may be needed for future developments.

The underlying free reserves of the company stood at £nil at 31 December 2020 (2019: £nil).

The Trustees consider that the current levels of free reserves and cash are adequate, given that:

- The majority of income is received in advance of courses starting which provides the Trust with a strong cash flow
- The Trust has a history of generating trading surpluses as well as cash inflows from its activities
- The Trust has secured a CBILS loan in July 2020

The Trust maintains its short-term deposits divided between banks in order to obtain the best risk-free market return.

Structure, Governance and Management

The company is governed by its Memorandum and Articles of Association adopted on 2 January 1976 and last amended on 28 September 2009.

International House Trust Limited (the 'Trust'), trades as 'IH London' (IHL) and also at five residential Young Learner Centres, which trade as 'IH Edinburgh', 'IH Ellesmere', 'IH Frensham', 'IH Oxford', and 'IH Moulton'.

There must be at least seven but no more than 15 Trustees. All Trustees are also the members of the company; the guarantee of each member is limited to £1. Trustees serve for a term of four years and may be appointed to serve for one further term (or in the case of a Chair or former Chair two further terms).

Trustees are recruited by advertisement and by the personal recommendation of existing Trustees and are interviewed by the Nominations Committee. Candidates are appointed by a resolution passed by the Board. New Trustees are provided with an induction programme and ongoing training is arranged as needed for all Trustees.

The Board of Trustees met seven times in 2020: four Board Meetings, two extra ordinary meetings and an Away-Day. Major strategic decisions are reserved for the Board, including approval of the budget, capital programmes and senior appointments.

The Board of Trustees delegates day-to-day responsibilities for management to the senior management team, led by the Chief Executive. The Board oversees how this delegation is being

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managed by the reporting of financial, sales and key management activities to Board Committees, and, where appropriate, to the Board.

Trustees

The Trust benefits from a highly experienced and engaged Board:

Name	Experience	Committee Membership
Philip Huggon	Over 20 years' experience in marketing, customer service and transformation, and led Shell UK's biggest ever change programme. He now has a portfolio of non-executive and trustee roles, including chairing a Further Education consultancy and an NHS consultancy, and he is Vice-Chair of Healthwatch England.	Chair (July 2021) Finance and General Purpose Audit and Risk
Ricard Alonso	Over 30 years' international experience across business operations in Sales, Customer Service and IT with Fortune 500 companies including General Electric and Ingersoll Rand.	Finance and General Purpose
Tita Beaven	Almost 30 years' experience of language teaching, most recently as a Head of the Department of Languages at the Open University. A Doctorate in educational technology and a Senior Fellow of the Higher Education Academy.	Nominations (Chair) Public Benefit & Partnerships
Keith Davies	Chief Risk and Compliance for Hermes Fund Manager having undertaken a similar role at M&G Prudential and role of Global Head of Internal Audit for Prudential Group. Keith has been in financial services for over 25 years and is also currently a NED within the Admiral Insurance Group.	-
Monica Green	Managing Director of IH Torres Vedras and its new IH Teacher Training Centre in Lisbon. Executive Director of the International House World Organisation.	Finance and General Purpose Audit and Risk
Elizabeth McGlynn	Qualified accountant, who has worked across a spectrum of industries for various companies, including PWC, Sir William Halcrow and Partners and Lidl. As Financial Controller and then Head of Tax at Lidl, she was responsible for complex tax and property issues as well as running the UK finance department.	Audit and Risk (Chair) Finance and General Purpose
Norman Renshaw	Experienced in business strategy and marketing, with a degree in Economics from the University of Warwick and is a member of the Chartered Institute of Marketing. After a career in marketing, he set up IH InTuition. He was on the Board of the International World Organisation from 2014 to 2020.	Finance and General Purpose Audit and Risk Remuneration
Tomasz Mazgaj	Currently working in LEGO Education, he is a project lead who specialises in running global strategic projects	-

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Trustees' Report

	in the educational sector. He is an Economics graduate, and certified Project Manager.	
Max Nye	As a Global Investment Director, he oversees advertising investment globally for some of the world's best-known brands. He is passionate about language learning; he studied English and Modern Languages at Oxford and taught English abroad with the British Council.	Public Benefit & Partnerships
Adrian Underhill	A DELTA qualified English language teacher, consultant, speaker, trainer and author in organisational learning and teacher training. Former director at International House Hastings, past president of IATEFL and series editor of Macmillan Books for Teachers.	Vice Chair Public Benefit & Partnerships (Chair) Remuneration Nominations

Angela Dean, a long-standing Chair served the maximum of three terms with International House over 12 years. Angela resigned in July 2021 and Philip Huggon replaced Angela Dean as the Chair.

Additionally, the below Trustees served during the year: Fintan Somers (resigned March 2020), Paul Mason (resigned September 2020), Alan Barlow (August 2020 to October 2020), and William Wellesley (resigned November 2020).

Board Committees

The **Audit Committee** (which met three times in 2020) is responsible for monitoring the management of the risks facing the Trust and reviewing the annual financial statements.

The **Nominations Committee** (which met once in 2020) is responsible for reviewing the composition and governance of the Board, recruiting, and recommending prospective Trustees to the Board for appointment, and for developing policies for managing trustee rotation.

The **Finance and General Purposes Committee** (which met three times in 2020) is responsible for advising the Board on matters such as the school's business and financial performance, loan servicing, capital expenditure and issues relating to property as well as a general remit to prepare issues for presentation to the Board.

The **Public Benefit and Partnerships Committee** (which did not meet in 2020) is responsible for developing the company's wider access agenda. This Committee was superseded with Social Value Committee in May 2021.

The **Remuneration Committee** (which met twice in 2020) is responsible for reviewing and agreeing remuneration policies for senior management, the Trust's 'key management personnel', for which it has been given delegated authority, as well as reviewing the remuneration policies for all staff.

The emolument for key management personnel is generally benchmarked and based on remuneration to attract the relevant seniority and skills and/or comparable remuneration in the sector. During the year, all key management had seen a reduction on their total emoluments as a number of benefits were curtailed due to the pandemic.

International House Trust Ltd

Annual Report and Accounts year to 31 December 2020

Company 1239120

Trustees' Report**Statement of Trustees' Responsibilities**

The Trustees (who are the directors of the company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its net incoming resources for that period. In preparing these financial statements, the Trustees are required to:

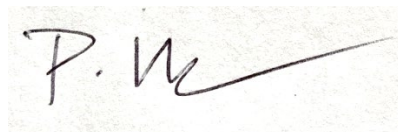
- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charity Statement of Recommended Practice (SORP).
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Trustees is aware:

- There is no relevant audit information of which the company's auditor is unaware.
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Report was approved by the Board of Trustees on 24 September 2021 and signed on their behalf by:

**Philip Huggon**

Chair

International House Trust Ltd

Annual Report and Accounts year to 31 December 2020
Company 1239120

Independent auditor's report to the members of International House Trust

Year ended 31 December 2020

Opinion

We have audited the financial statements of International House Trust for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 14, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect

International House Trust Ltd

Annual Report and Accounts year to 31 December 2020

Company 1239120

Independent auditor's report to the members of International House Trust

Year ended 31 December 2020

a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the Strategic Report and the Directors' Report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material

International House Trust Ltd

Annual Report and Accounts year to 31 December 2020
Company 1239120

Independent auditor's report to the members of International House Trust

Year ended 31 December 2020

misstatements in the Trustees' Report (which incorporates the Strategic Report and the Directors' Report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Use of our report

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



Tracey Young (Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place

EC4R 1AG

London

Date: 24 September 2021

International House Trust Ltd

Annual Report and Accounts year to 31 December 2020

Company 1239120

**Statement of financial activities
incorporating an income and expenditure account**

Year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Income from:			
Charitable activities			
Teaching and learning	2	8,126	16,088
Investments		1	2
Other	2	993	349
Total		9,120	16,439
Expenditure on:			
Charitable activities	3	11,019	16,279
Total		11,019	16,279
Net (expenditure)/income	14	(1,899)	160
Net movement in funds		(1,899)	160
Reconciliation of funds:			
Funds brought forward		10,175	10,015
Total funds carried forward		8,276	10,175

All the above results relate to unrestricted funds.

The notes on pages 29 to 39 form part of these financial statements.

International House Trust Ltd

Annual Report and Accounts year to 31 December 2020
Company 1239120

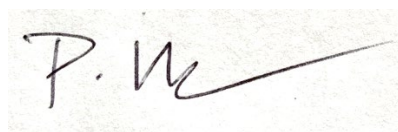
Balance Sheet

As at 31 December 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Tangible fixed assets	8	12,166	12,649
Intangible fixed assets	9	221	360
Investments	10	1	1
		12,388	13,010
Current assets			
Debtors	11	1,586	2,401
Short term deposits		-	702
Cash at bank and in hand		2,130	956
		3,716	4,059
Creditors: amounts falling due within one year	12	(3,819)	(4,679)
Net current liabilities		(103)	(620)
Net assets less current liabilities		12,285	12,390
Creditors: Amounts falling due after more than one year	13	(4,009)	(2,215)
Total net assets		8,276	10,175
The funds of the charity:			
Unrestricted funds		8,276	10,175
Total charity funds		8,276	10,175

The notes on pages 29 to 39 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees on 24 September 2021 and signed on their behalf by:



Philip Huggon
Trustee and Chair

International House Trust Ltd

Annual Report and Accounts year to 31 December 2020
Company 1239120

Cash Flow Statement

Year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	i	(1,347)	1,260
Cash flows from investing activities:			
Interest received		1	2
Purchase of tangible fixed assets		(49)	(79)
Purchase of intangible fixed assets		(13)	(114)
Net cash (used in) investing activities		(61)	(191)
Cash flows from financing activities:			
New Loans and Borrowings		2,350	
Repayment of borrowings		(470)	(283)
Net cash provided by/(used in) financing activities		1,880	(283)
Changes in cash and cash equivalents in the year		472	786
Cash and cash equivalents at 1 January 2019		1,658	872
Cash and cash equivalents at 31 December 2020	ii	2,130	1,658

Note i) Reconciliation of net (expenditure)/income to net cash (outflow)/inflow from operating activities

	2020 £'000	2019 £'000
Net (expenditure)/income for the year (as per the Statement of financial activities)	(1,899)	160
Depreciation charges	684	647
Interest receivable	(1)	(2)
Decrease/(increase) in debtors	815	(30)
Increase / (decrease) in creditors (excluding the bank loan)	(946)	485
Net cash (outflow)/inflow from operating activities	(1,347)	1,260

Note ii) Analysis of cash and cash equivalents

	1 January 2020 £'000	Cash flow £'000	31 December 2020 £'000
Cash at bank and in hand	956	1,174	2,130
Short term deposits	702	(702)	-
Total cash and cash equivalents	1,658	472	2,130

International House Trust Ltd

Company 1239120
Year to 31 December 2020

Notes to the accounts**1 Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a. Company Information

International House Trust Ltd is a private company, limited by guarantee, domiciled in England and Wales (registration number 01239120) and is a charity registered with the Charity Commission in England and Wales (registration number 270860). The registered office is 16 Stukeley Street, Covent Garden, London WC2B 5LQ.

b. Basis of financial statements

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 (FRS102) (Second edition effective 1 Jan 2019) – (Charities SORP (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) and the Charities Act 2011.

Although 2020 saw unprecedented deficit, the Charity rapidly pivoted its operations and delivery to online courses. This combined with steps taken to control costs, CBILS loan and liquidity planning has resulted in revenue retention and sustainable cash flow position for the foreseeable future.

The Trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the charity's financial viability. On that basis they believe the going concern basis of accounting is appropriate for these annual financial statements.

c. Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably. Income received in advance of the provision of a service is deferred until the criteria for income recognition are met. Specifically:

- Tuition fees are accounted for across the period in which the course is provided. Income relating to courses and related accommodation delivered across financial periods is apportioned based on the number of course days that fall in each period.
- Investment income, rental income and trading income are accounted for in the period to which they relate.
- Examination income is recognised in the period in which the examination takes place.

Grants under Coronavirus Job Retention Scheme(CJRS): During the year, the charity utilised CJRS for staff on furlough leave. Government grant income represents the total amount claimed from HMRC under the CJRS. The income is accounted for in the period in which the associated salary payments are made to furloughed staff.

International House Trust Ltd

 Company 1239120
 Year to 31 December 2020

Notes to the accounts

The Trust had no unfulfilled conditions or contingencies attached to the grant income recognised in the year. The Trust did not benefit from any other grants during 2020.

d. Expenditure

Charitable activities result in expenditure related to the direct furtherance of the company's charitable objectives. All expenditure is accounted for on the accruals basis. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the company to the expenditure. The cost headings comprise expenditure directly attributable to the activity.

Direct costs comprise accommodation, teaching salaries and payments, examinations department costs, agents' commissions, student social programme, teaching materials, student insurance and activities to widen access amongst disadvantaged groups.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. They are allocated directly to the company's charitable activities following categorisation in accordance with the following table:

Category	Definition
Support staff	All non-direct employee costs, including employees managing teaching staff, including any bonus, redundancy and terminations payments, recruitment, training, and welfare costs.
Marketing and communications	Marketing and communications costs, excluding employee costs.
Establishment and Office	Facility expenditure (including rent, rates, and utilities), and stationery, phone, postage, and IT costs, excluding staff costs.
Finance, legal and professional	Finance costs including bank charges, merchant fees and VAT payable on agent commissions, current gains and losses, legal, surveyor and other professional fees. Employee costs are excluded.
Other expenses	Other costs including travel, hospitality, and subsistence, product development, subscriptions and any other costs not falling within another category.

Governance costs, included within support costs, relate to compliance with constitutional and statutory requirements and include an apportionment of the CEO's and Finance Director's employee costs, Trustees' expenses, and audit fees.

e. Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably; this is normally upon notification of the interest paid or payable by the Bank.

International House Trust Ltd

Company 1239120

Year to 31 December 2020

Notes to the accountsf. Operating leases

Where title to the equipment remains with the lessor, rental charges are charged on a straight-line basis over the term of the lease.

g. Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of the company. There are no restricted funds in the current or prior year.

h. Tangible fixed assets

Tangible fixed assets costing more than £1,000 used by the company over a period of one year or more are capitalised:

- Freehold land is not depreciated.
- Freehold buildings are depreciated over 50 years.
- Fixtures, fittings, and furniture are depreciated over 10 years on a straight-line basis.
- Computers, video equipment, language laboratories and equipment are depreciated over 3 years on a straight-line basis.

i. Intangible fixed assets

Intangible fixed assets costing more than £1,000 used by the company over a period of one year or more are capitalised:

- Course development, website development and software are depreciated over 3 years on a straight-line basis.
- 'SchoolWorks', the school's main management information system is depreciated over 7 years on a straight-line basis, being an estimate of its expected use.

j. Cash at bank and in hand and short-term deposits

Cash at bank and cash in hand are funds available to the Charity. Other cash is categorised as short-term deposits.

k. Debtors

Trade debtors are amounts invoiced and unpaid. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Amounts invoiced but not yet due for payment are recognised as debtors.

l. Creditors

Creditors are recognised when there is an obligation at the balance sheet 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 are recognised at the amount the Trust anticipates it will pay to settle the debt. They have been discounted to the

International House Trust Ltd

Company 1239120
Year to 31 December 2020

Notes to the accounts

present value of the future cash payments where such discounting is material. Course fees in advance are treated as deferred income and are for amounts received, or due for receipt, but where all or part of the course has not yet been provided.

m. Taxation

The company is a registered charity. It is not liable to income tax or corporation tax on income derived from its charitable activities.

As an educational body the company is exempt from charging value added tax (VAT) on its educational services. Where appropriate, expenditure is recorded inclusive of irrecoverable VAT.

n. Estimation uncertainty

In the application of the Charity's accounting policies Trustees are required to make judgements, estimates, and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

o. Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans that are subsequently measured at amortised cost using the effective interest method.

Financial assets comprise debtors less prepayments. Financial liabilities comprise creditors.

p. Pensions

A defined contribution group personal pension (GPP) scheme operated through Scottish Widows is available to all permanent employees with three months' service. The employer's contribution is equal to 3% of basic salary and the employee determines their contribution, subject to the minimum specified by auto-enrolment legislation. The Trust offers a salary sacrifice option and these contributions are included within the employer's pension scheme contributions. Employees who are not eligible for the GPP scheme are auto enrolled into 'The People Pension' in accordance with current employment legislation.

International House Trust Ltd

Company 1239120

Year to 31 December 2020

Notes to the accounts
2 Income from charitable activities

	2020	2019
	£'000	£'000
Adult Language courses	2,942	5,245
Young Learners	30	2,576
Teacher training courses	2,052	2,003
Examination fees	2,529	4,357
Accommodation	573	1,907
	8,126	16,088

Other income of £993k predominantly comprises of grant from Coronavirus Job Retention Scheme. Total furlough claim in the year was £899.95k.

3 Expenditure on charitable activities

	2020	2019
	£'000	£'000
Direct costs of teaching and examinations		
Adult Language courses	1,824	2,035
Young Learners	52	2,197
Teacher training courses	1,073	1,039
Examinations	2,203	3,029
Accommodation	792	1,671
Other direct costs	33	(50)
	5,977	9,921
Support costs (note 4)	5,042	6,358
	11,019	16,279

4 Expenditure on support costs and governance

	General Support	Governance	2020
	£'000	£'000	£'000
Staff	2,640	41	2,681
Marketing and communications	361	-	361
Establishment and office	1,029	-	1,029
Finance, legal and professional	55	25	80
Write offs and provisions	41	-	41
Depreciation	684	-	684
Interest payable	67	-	67
Other expenditure	99	-	99
	4,976	66	5,042

International House Trust Ltd

 Company 1239120
 Year to 31 December 2020

Notes to the accounts

	General Support	Governance	2019
	£'000	£'000	£'000
Staff	2,848	40	2,888
Marketing and communications	671	-	671
Establishment and office	1,193	-	1,193
Finance, legal and professional	138	39	177
Depreciation	647	-	647
Interest payable	86	-	86
Other expenditure	696	-	696
	6,279	79	6,358

5 Staff costs

	2020	2019
	£'000	£'000
Gross salaries	5,236	5,735
Social security costs	428	474
Employer's pension scheme contributions	292	299
	5,956	6,508
Self-employed and agency staff	435	429
	6,391	6,937

The number of employees whose emoluments for the year (including taxable benefits but not employer's pension scheme contributions or national insurance) exceeded £60,000 was:

	2020	2019
	Number	Number
Employees earning between:		
£110,001 and £120,000	-	1
£100,001 and £110,000	1	1
£90,001 and £100,000	1	-
£80,001 and £90,000	-	1
£70,001 and £80,000	1	2
£60,001 and £70,000	3	-
	6	5

Employer's pension contributions totalling £12,446 (2019: £10,070) were made for the above employees. The aggregate remuneration, including any applicable employer's national insurance, severance payments and employers pension scheme contributions for 'key management personnel', referred to as the Senior Management Team on page 1, was £484,348 (2019: £398,740).

International House Trust Ltd

 Company 1239120
 Year to 31 December 2020

Notes to the accounts

The average headcount of employees analysed by function was:

	2020	2019
	Headcount	Headcount
Examinations	183	208
Teaching	148	168
Support	68	65
	399	441

During the year redundancy and termination payments of £12,296 (2019: £18,924) were paid.

6 Trustees' remuneration

The trustees neither received nor waived any emoluments during the year (2019: £nil). One trustee (2019: 5 trustees) were reimbursed travelling expenses of £124 (2019: £2,878) during the year.

One trustee (2019: one) was engaged in a teaching capacity with a total remuneration of £1,000 (2019: £1,294).

Ricard Alonso is a director of International House World Organisation Ltd (IHWO), a company which is 50% owned by International House Trust Ltd.

Monica Green holds a controlling interest in IH Torres Vedras language schools, which traded with IH London on standard commercial terms. Monica Green is Executive Director of IHWO and in this capacity is paid by IHWO.

7 Operating leases

The charity has the following future minimum lease payments under non-cancellable operating leases for each of the following years:

	31 December 2020	31 December 2019
	£'000	£'000
Within one year	22	22
Between one year and five years	32	54
	54	76

International House Trust Ltd

Company 1239120

Year to 31 December 2020

Notes to the accounts
8 Tangible fixed assets

	Freehold land and buildings £'000	Leasehold Properties £'000	Fittings, furniture and Equipment £'000	Total £'000
Cost				
1 January 2020	15,700	913	2,512	19,125
Additions	-	-	49	49
31 December 2020	15,700	913	2,561	19,174
Depreciation				
1 January 2020	4,114	385	1,977	6,476
Charge	321	66	145	532
31 December 2020	4,435	451	2,122	7,008
Net book value				
31 December 2020	11,265	462	439	12,166
1 January 2020	11,586	528	535	12,649

The leasehold properties are an extension to the freehold building at 16 Stukeley Street and office accommodation at Shaftesbury Avenue. 'Freehold land and buildings' includes £3m of non-depreciating freehold land. Trustees are aware of the potential impact of the COVID-19 pandemic on property values. The intention is to hold the property for the long term. No adjustment has therefore been made to valuations as a result of the crisis.

9 Intangible fixed assets

	SchoolWorks £'000	Website £'000	On-line Education £'000	Software Licences £'000	Total £'000
Cost					
1 January 2020	571	227	89	13	900
Additions	-	-	-	13	13
31 December 2020	571	227	89	26	913
Depreciation					
1 January 2020	375	76	89	-	540
Charge	83	65	-	4	152
31 December 2020	458	141	89	4	692
Net book value					
31 December 2020	113	86	-	22	221
1 January 2020	196	151	-	13	360

10 Investments

	2020 £'000	2019 £'000
International House World Organisation Ltd (at cost)	1	1

International House Trust Ltd

Company 1239120
Year to 31 December 2020

Notes to the accounts

The company owns the Trust Share representing 50% of the issued share capital with a book value of £500 and 1 Affiliate Share in International House World Organisation Ltd (IHWO). Decisions by IHWO in general meetings can only be made with the agreement of both classes of shareholder and consequently the Trustees do not consider that International House Trust exercises control over IHWO.

A summary of the results of IHWO are given below:

Profit and loss account - IHWO Limited	2020	2019
	£'000	£'000
Turnover	704	838
Cost of sales	(175)	(146)
Gross profit	529	692
Administrative expenses	(543)	(689)
Other income and expenditure	20	2
Tax on profit	(7)	(1)
Profit for the year	(1)	4
Revaluation of tangible fixed assets, less tax	(17)	72
Total comprehensive (expenditure)/income for the year	(18)	76

Balance Sheet - IHWO Limited	2020	2019
	£'000	£'000
Fixed assets	553	571
Current assets	348	294
Creditors: amounts falling due within one year	(217)	(168)
Net current assets	684	697
Provisions for liabilities	(48)	(43)
Net assets	636	654
International House Trust Ltd: 50% of shareholders' equity	318	327

During the year the Trust made payments to IHWO of £21,921 (2019: £27,544) on normal commercial terms. No payments (2019: £Nil) were made by IHWO to the Trust.

11 Debtors

	2020	2019
	£'000	£'000
Trade debtors	1,053	1,920
Other debtors	291	85
Prepayments	241	392
Staff loans and advances	1	4
	1,586	2,401

International House Trust Ltd

 Company 1239120
 Year to 31 December 2020

Notes to the accounts
12 Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Loans repayable within one year	383	297
Trade creditors	659	658
Accruals	702	437
Taxation and social security	103	155
Deferred income: Course fees in advance	1,944	3,102
Other creditors	28	30
	3,819	4,679

Deferred income has seen a significant year-on-year reduction attributed to the reduction in forward bookings and the overall decline in revenue due to the pandemic.

13 Creditors: amounts falling due after more than one year

	2020	2019
	£'000	£'000
Loan repayable within two to five years	2,556	831
Loan repayable in more than five years	1,453	1,384
Creditors: amounts falling due after more than one year	4,009	2,215
Loan repayable within one year	383	297
Secured loan total	4,392	2,512

In February 2018 the Trust took out a loan, over 15 years, with Lloyds Bank PLC. This loan is secured by a fixed charge on the freehold land and building at 16 Stukeley Street. The interest rate is Base Rate plus 2.50%. Repayments of £470,034 (2019: £283,419) were made during the year. A CBILS loan of £2,350,000 was availed from Lloyds in July 2020 at an interest rate of 1.92% plus base rate against Stukeley Street premises. There were no repayments in the first year and the interest was met by the government.

14 Net (expenditure)/income for the year

This is stated after charging:

	2020	2019
	£'000	£'000
Depreciation	684	647
Auditor's remuneration:		
Audit fees	25	36
Leasehold property rent	345	284
Operating leases equipment	22	22
Interest payable	67	84

International House Trust Ltd

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Notes to the accounts
15 Analysis of net borrowing

	1 Jan 2020 £'000	Cashflow £'000	Non-cash changes £'000	31 Dec 2020 £'000
Loans falling due within one year	(297)	72	(158)	(383)
Loans falling due after one year	(2,215)	(1,952)	158	(4,009)
	(2,512)	(1,880)	-	(4,392)
Cash at bank and in hand	956	1,174	-	2,130
Short term deposits	702	(702)	-	-
	(854)	(1,408)	-	(2,262)
=====				
	1 Jan 2019 £'000	Cashflow £'000	Non-cash changes £'000	31 Dec 2019 £'000
Loans falling due within one year	(293)	283	(287)	(297)
Loans falling due after one year	(2,502)	-	287	(2,215)
	(2,795)	283	-	(2,512)
Cash at bank and in hand	872	84	-	956
Short term deposits	-	702	-	702
	(1,923)	1,069	-	(854)
=====				

16 Share capital

The company is limited by guarantee and does not have share capital. Members are not entitled to any dividends or to a share in the assets on dissolution. Each member undertakes to contribute up to a maximum sum of £1 on winding up. Each member has one vote. There were 11 members as at 31 December 2020 (2019: 12).

18 Ultimate controlling party

The charitable company is under the ultimate control of the board of Trustees.