



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

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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

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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.



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.

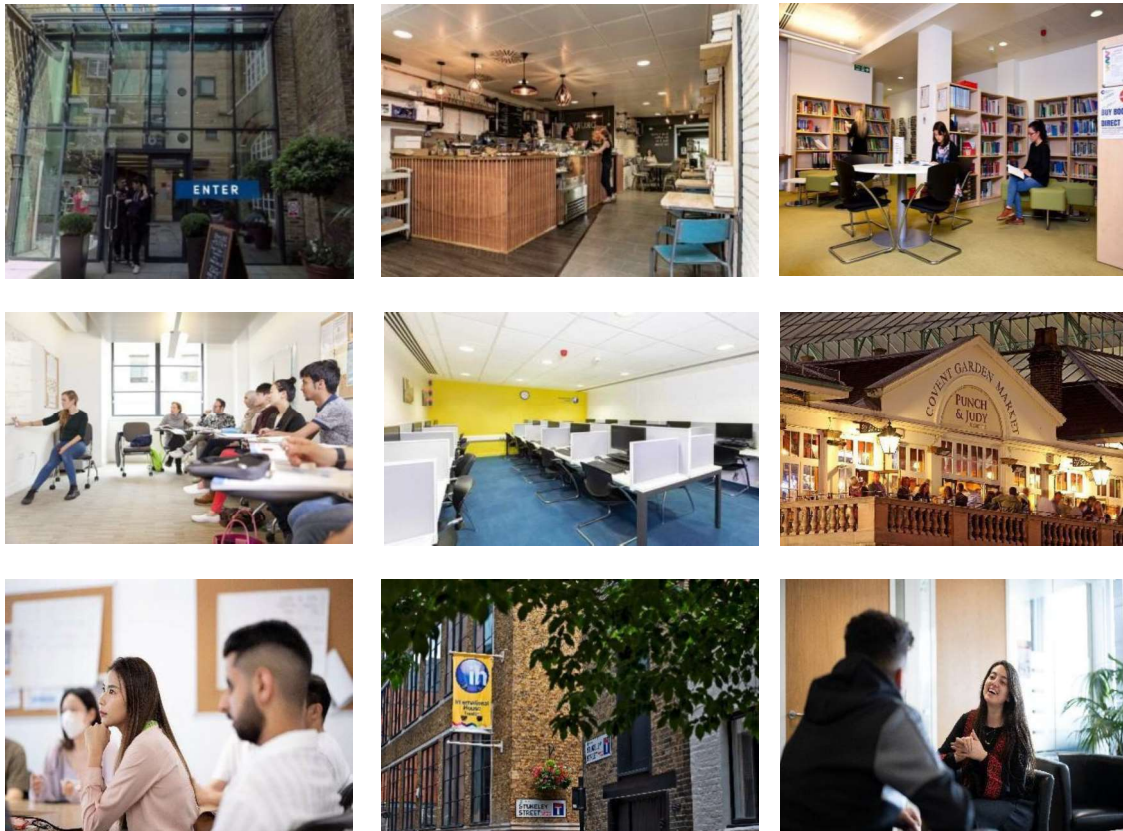
Our Covent Garden School

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).

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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

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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.

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Manuel Benchetrit is the Director of Young Learner.

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

Financial Review

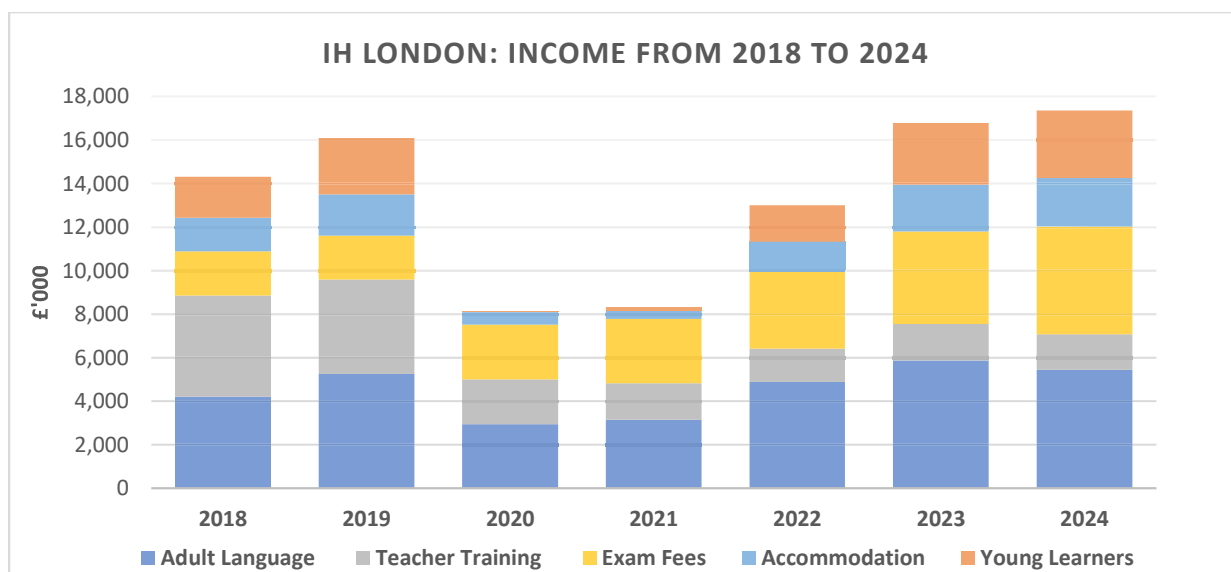
Despite strong macro-economic and geopolitical headwinds from several directions impacting the ELT sector, IH London delivered further growth in overall revenues from 2023. Trading revenues increased from £16.8M in 2023 to £17.4M in 2024; an increase of £0.6M (3.6%). This despite UK economic uncertainty 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.

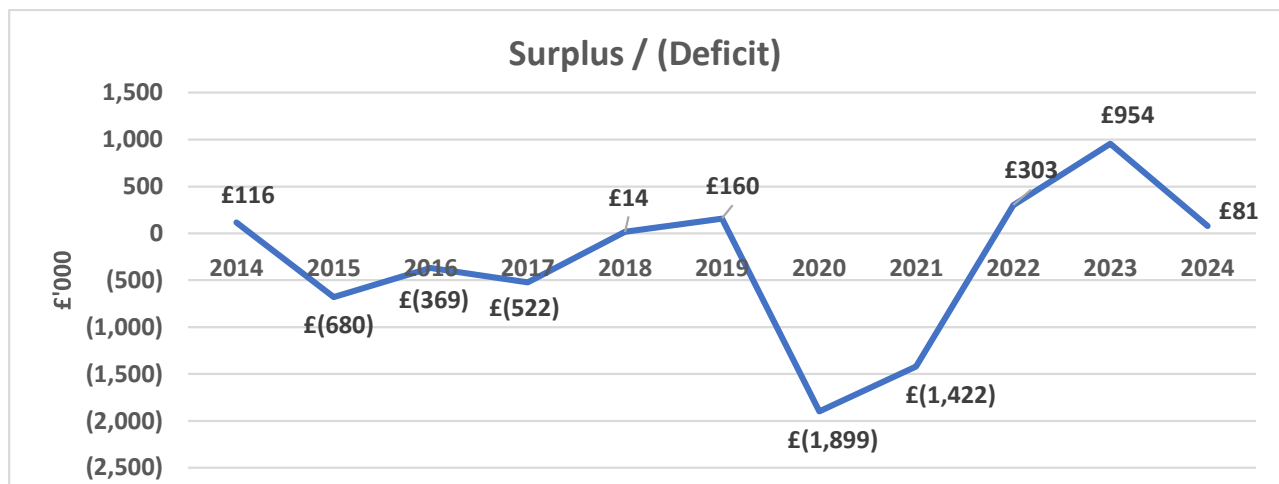
Whilst inflation fell from its double-digit peak in 2024 to around 3.5% in Q1 2025, there has been little appetite, rebound or market correction on input costs to ease. The hike in company National Insurance contributions announced in the Autumn 2024 Government Budget effective from April 2025, is unhelpful 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

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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

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<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,

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	<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	> Chair of the Board of Trustees > Finance, General Purposes, Audit and Risk Committee > People and Culture Committee
Isabel Di Vanna	> Vice Chair of the Board of Trustees > Finance, General Purposes, Audit and Risk Committee
Tomasz Mazgai	
Maxwell Nye	
Gareth Hughes	> 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:



Philip Huggon

Chair of the Board of Trustees

Date: 27/06/2025

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

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, appearing to read '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

International House Trust Limited

Annual Report and Accounts year to 31 December 2024

Company No. 01239120



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
		14,305	11,018
Current assets			
Debtors	11	3,646	3,353
Cash at bank and in hand		1,456	3,078
		5,102	6,431
Creditors: amounts falling due within one year	12	(6,793)	(7,153)
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)
Total net assets		8,193	8,112
The funds of the charity:			
Unrestricted funds		8,193	8,112
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:

A handwritten signature in black ink that reads 'P. Huggon'.

Philip Huggon

Trustee and Chair

Date: 27/06/2025

Cash Flow Statement

Year ended 31 December 2024

		2024	2023
	Note	£'000	£'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	2023
	£'000	£'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

International House Trust Limited

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



Cash Flow Statement

Year ended 31 December 2024

Note ii) Analysis of cash and cash equivalents:

	1 January 2024 £'000	Cash Flow £'000	31 December 2024 £'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	15,752	4,536	2,532	22,820
Depreciation				
1 January 2024	5,399	591	2,225	8,215
Charge	322	46	90	458
31 December 2024	5,721	637	2,315	8,673
Net book value				
31 December 2024	10,031	3,899	217	14,147
1 January 2024	10,301	322	250	10,873

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

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 (IHWOL). Decisions by IHWOL 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 IHWOL. The accounts are therefore not consolidated on the basis that the charity does not control the financial and operating policies of IHWOL. Its registered address is Unity Wharf, 13 Mill Street, London, SE1 2BH.

A summary of the results of IHWOL are given below:

	2024	2023
	£'000	£'000
Profit and loss account - IHWOL 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 - IHWOL 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 changes	31 Dec 2024
	£'000	£'000	£'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 £'000	Cashflow £'000	Non-cash changes £'000	31 Dec 2023 £'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).