



International.
Students House

International Students House

ANNUAL REPORT 2022



International Students House
229 Great Portland Street
London W1W 5PN

A Registered Charity and Company
Limited by Guarantee No. 724811

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Objectives

The origins of International Students House (the House; ISH; the Charity) date back to 1917 with the founding of Student Movement House in Bloomsbury. This social centre for some of the many overseas students who came to London each year, was established to increase international understanding and friendship.

Mary Trevelyan, founder and first Director of International Students House, was Warden at Student Movement House in the 1930s.

ISH was officially opened as a residence for students on 4 May 1965 and continues to provide an environment that facilitates the growth and development of today's young people from all over the world.

It gives them the opportunity to live in central London and experience a wealth of cultures; not only British, but also the many nationalities of their peers.

The ISH Board of Governors approved the updated Memorandum and Articles of Association of International Students House on 21 May 2020 and updated the Charity's vision and mission statements in June 2021. The objects of the House as restated in the updated Memorandum and Articles of Association are as follows:



To provide and maintain premises in the United Kingdom with a view to assisting students (including postgraduate students and persons engaged in research) (hereinafter called "the beneficiaries") to pursue research at universities, colleges, and other institutions of further education, by affording them hostel accommodation and facilities for rest, recreation, study, lectures and meetings.



To foster racial harmony between the beneficiaries and the countries they represent, and/ or ethnic or racial group they represent.

Vision

To transform futures of students from around the globe by providing a safe community in London that fosters international friendship and positive change.

Mission

To provide an affordable home from home for students of different nationalities and diverse cultures, supported by a substantial scholarship programme, with the opportunity to live and learn together in a safe and secure community of mutual respect, understanding and international friendship.

Principal activities

Affordable accommodation

The principal activity of the House is the provision of affordable accommodation for overseas and UK students. In 2021-22 the House was 'home away from home' for over 220 residents from around 60 different countries, including UK nationals.

The students typically study at one of the nearby universities at either undergraduate or postgraduate level during their stay. ISH also provides a small number of flats for students with partners or dependants.

Scholarship programme

The House runs a scholarship programme in partnership with local universities. In this programme, ISH provides free or discounted accommodation and the university partner waives or reduces their tuition fees. In 2021-22, 53 scholars from 30 different nationalities benefited from this provision.

Events and socialising

The House provides social events, which are delivered free or at a subsidised cost to residents and members. The Events team run the ISH Travel Club and host activities such as themed suppers, fitness classes, art workshops, culture nights, and support student-led events such as concerts and movie nights.

Promotion of international friendship

ISH has an active alumni association called Goats International. ISH is proud of the fact that a large number of students made lifelong friendships during the time they stayed in the House and subsequently, when they became alumni. In June 2022, the ISH team was able to hold a delayed triennial reunion in London.

Public benefit test

The Governors have taken due regard to the provisions of the 2011 Charities Act that require charities to prove that they deliver public benefits. ISH, through the fulfilment of its objectives, provides a wide public benefit.

Residents return to their home nations with a broadened perspective of the world and are equipped with skills which benefit their homelands/ communities.

The International Students House Scholarship Programme, in partnership with 16 London universities and academic partners provided accommodation and tuition fee grants to overseas students who would not otherwise have the opportunity to gain a UK qualification. The House's contribution to this provision in 2021-22 amounted to approximately £700k (2020-21: £1.1m).

Social events and welfare support are subsidised or delivered free of charge to residents and members.

In this way, overseas students do not feel alienated by a new culture, but are able to quickly settle in, adapt to life in the UK and make new friends.

International students are a key component of the London and UK economy, and ISH offers such students affordable accommodation. The House also provides opportunities for the integration of overseas students with UK students.

In addition to supporting students, the House contributes to the local community by hosting an annual Christmas lunch for around 100 senior citizens who use day centres or are in sheltered housing in the neighbourhood. The Christmas meal usually takes place on a Saturday in December and is free of charge to all those attending.

Unfortunately, ISH was not able to host a senior citizens dinner for two years during the pandemic, but resumed the annual event in December 2022, re-establishing the Charity's connection with local elderly residents.



the opportunity to gain a UK qualification



international friendships



broadened perspective



better integration into UK life



new skills and experiences



Christmas lunch for senior citizens

Measuring success

Student experience

International Students House participates in the Global Student Living Index, which measures residents' satisfaction with the accommodation, services and the variety of social activities provided by the House.

Attendance at social events is also monitored throughout the year, and regular feedback on ISH events and services in general is sought via resident advisors (RAs) at fortnightly RA meetings and Student Management Committee meetings each term.

Affordability

The House's affordability is measured each year when setting accommodation fees, through market research on competitor London providers. Students are also asked about their perception of value for money in the Global Student Living Survey.

Scholarships

The success of the scholarship programme is measured in terms of: the number of scholars resident in the House; the number of scholarship partners who assist with tuition fee support; and through an annual monitoring exercise led by the Dean of Student Life, where an academic report is received from each scholar's tutor.

Alumni engagement

Success in alumni relations is measured by: the wealth of information held on the alumni database against each individual record; attendance at alumni events; the rate of engagement with digital communications; fundraising income; and gifts in kind.

International Students House in figures

2021-2022



700k

in scholarships
distributed to students



16

academic partners

waiving/ reducing
tuition fees



220

residents

at International
Students House




60

countries

represented





“The whole staff and management team feels like a family. Truly a home away from home.”

Strategic report

International Students House's business strategy is summarised as:

'To provide an affordable home from home for students of different nationalities and diverse cultures, supported by a substantial scholarship programme, with the opportunity to live and learn together in a safe and secure community of mutual respect, understanding and international friendship.'

ISH's medium term business strategy was revised in June 2021 to reflect the challenging financial climate post-pandemic.

The Charity experienced a significant reduction in income during the pandemic, while the charitable activities were maintained for all residents who remained in the House. The priority of ISH is to get back to a financially sustainable position over the next few years.

The revised plan maintains the objective of increasing the number of scholarships sustainably over a five-year period, in line with increased accommodation provision.

The property strategy was also revised due to the competitive market in central London. The search area has been expanded beyond Westminster and Camden. ISH continues to actively look to acquire a new property or properties to support its strategic plan.

The key aims relating to the House's charitable mission are:

- (i) To develop the residential scholarship programme to assist students from financially challenged backgrounds. In 2022/23, the scholarship level will be maintained at 23% of the total number of residents in the House.
- (ii) To ensure a geographically and academically diverse and well-balanced residential student community with the aim of having up to 20% of the total student numbers from the UK.
- (iii) To ensure that the House's residential fees are competitive with central London student halls fees.
- (iv) To increase the diversity and variety of events and activities to meet the changing needs of ISH's residential and non-residential community, and facilitate integration of different nationalities.
- (v) To continue to provide services to former students through the alumni association and keep them engaged with the House.

The directors have had regard to the matters set out in Companies Act 2006, section 172(1) (a) to (f) when performing their duties under section 172, which is to promote the success of the Charity.

Performance and achievements

Student experience

The Global Student Living Survey, which benchmarks ISH against local university halls and local private halls, provides useful data on the student experience and the impact life at ISH has on its residents. In 2021-22 the House received an overall approval rating of 99%, where 99% of respondents said that their level of satisfaction was “very good”, “good” or “OK”.

This is higher than the score given for London private halls (88%), with London University Halls lower down the scale at just 76% satisfaction.

When asked about individual aspects of their accommodation, residents’ responses show that ISH is outperforming other providers surveyed in the following criteria: building security, condition and quality, opportunities for social interaction, personal safety, student care and support, travel time to local amenities and place of study, and value for money.

In addition, 79% of ISH residents said their accommodation had a positive impact on their wellbeing, with London Private Halls scoring 60%.

Awards

With four other providers, International Students House was short-listed for Best Specialist Accommodation, UK & Ireland at the Global Student Living Awards.

ISH was also highly commended in the International Student Living category at the 2022 PIEoneer awards.



“At ISH, international students have a safe haven in London and there is a true celebration of different cultures.”

“I couldn’t wish for a better accommodation than ISH. It’s a family. For me, ISH has been home away from home, a family away from family. If I can do anything for ISH in the future, I wouldn’t hesitate. ISH has played a significant role in achieving my educational and career goals – I wouldn’t forget this place and this community.”

“ISH gives you a sense of belonging and support.”

“The whole staff and management team feels like a family. Truly a home away from home.”

“I have been enjoying my stay at International Students House. We have a very strong sense of community, best resident advisors and duty managers...”

– Comments from ISH’s Global Student Living Survey

Affordability

Each year, the House conducts a market research assessment of the local student accommodation market before setting the rent for the forthcoming year. As part of this process, ISH aims to position itself to be on par with local university halls of residence.

The student view of the affordability of the accommodation was tested in Spring 2022 in the Global Student Living Index.

Respondents were asked to rate the overall value for money of ISH: in 2022, 60% of survey respondents said ISH's value for money is "good" or "very good", compared to just 53% in London Private Halls and 34% in London University Halls.

Events and travel club

ISH's events were viewed extremely positively by residents who responded to the survey, with 95% of respondents giving social activities a positive rating.

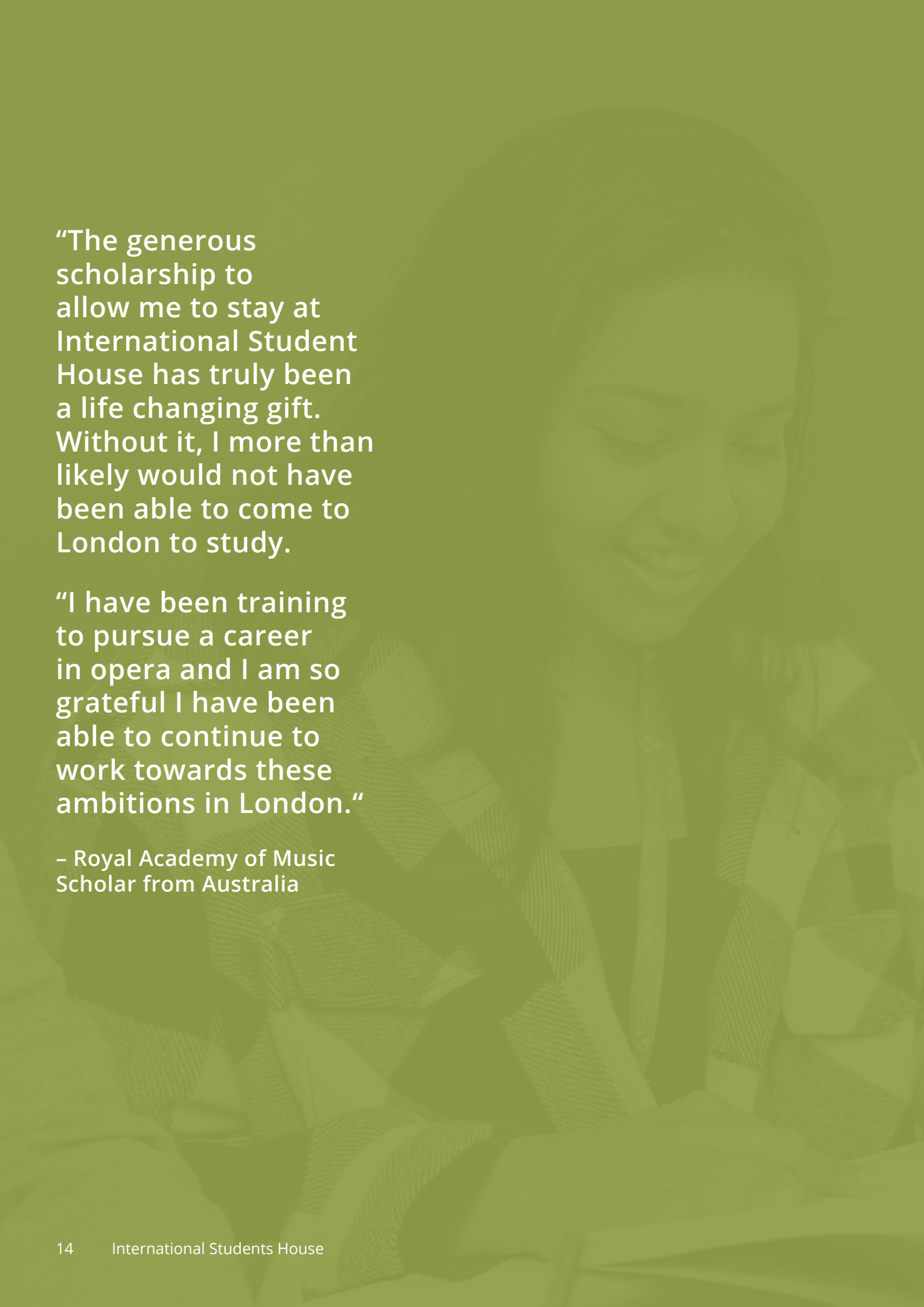
The ISH Travel Club was back in full swing in 2021-22 and achieved a 98% positive rating in the 2022 survey. One respondent commented that the "ISH travel club is amazing, and so is their personnel."

99%
overall
**student
satisfaction**

+26%
**better
value than
other London halls**

95%
satisfaction
with **social
activities**

98%
satisfaction
with the **ISH
Travel Club**



“The generous scholarship to allow me to stay at International Student House has truly been a life changing gift. Without it, I more than likely would not have been able to come to London to study.

“I have been training to pursue a career in opera and I am so grateful I have been able to continue to work towards these ambitions in London.”

– Royal Academy of Music
Scholar from Australia

Performance and achievements cont.

Measuring impact on scholars

The Dean of Student Life conducts an annual mid-year monitoring exercise with each scholar to assess their general progress both academically and socially.

A report from their place of study is also received at this time. One common theme that emerged in the 2021-22 monitoring exercise was how receiving a scholarship from ISH is a life-changing experience:

“Having a safe and comfortable place to live with an affordable price makes it possible for me to focus on my study and work. On top of that, ISH accommodation scholarship provided me a chance to believe in myself, because I felt that someone out there trusted my potential.” – Birkbeck Scholar from Brazil

The scholars also reported that ISH provides a supportive and safe environment, contributing to their personal development through meeting inspirational and exceptional peers who increase their intercultural understanding:

“I have had the opportunity to meet people from across the globe that are studying in various disciplines. I had the opportunity to have stimulating conversations, attend various activity groups, and make friends for life. I think as an international student it often is necessary for one to build their foundation as an early stage academic and a foreigner in a student house and ISH offers the best of both the worlds.” – UCL Scholar from India

A further impact questionnaire is sent to former scholars, after they have completed their studies and left ISH. This exercise was conducted in summer 2021 and will be repeated in summer 2023.

Alumni

The popular monthly Goats Bar Night in the Thirsty Scholar resumed in 2021-22 and ISH’s digital engagement grew, with an average communications open rate of 35%.

The highlight of the year from an alumni perspective was the London Reunion in June 2022. Over 50 alumni from the UK and overseas attended the three-day event, with others joining hybrid events online. It was a great opportunity for friendships and connections to be renewed after the pandemic years.

It was also wonderful to see former ISH scholar, Montita Sowapark, who lived at the House in 2019-20, highly commended in the international alumni of the year category at the 2022 PIEoneer awards for her work on addressing barriers to healthcare faced by marginalized patient groups.



Acknowledgments

The House gratefully acknowledges the support of the following partners, without whom the scholarship programme would not have been so successful:

- ISH's catering contractors BaxterStorey, who provided a free breakfast for 36 of the 53 scholars.
- The following academic partners who waived or reduced their tuition fees for the following number of scholars:

ISH Scindia / SKV Scholarships*	7 scholars
Royal Academy of Music	6 Scholars
UCL, Institute of Education	6 scholars
UCL, United World Colleges	5 scholars
London Institute of Banking and Finance	4 scholars
Royal College of Music	4 scholars
Council for At-Risk Academics (cara)	3 scholars
University of the Arts	3 scholars
Chevening	2 scholars
London Metropolitan University	2 scholars
London School of Hygiene & Tropical Medicine	2 scholars
UCL, Institute of Global Health	2 scholars
Windle Trust International	2 scholars
Birkbeck	1 scholar
Imperial College London	1 scholar
Karta Initiative	1 scholar
London School of Economics & Political Science	1 scholar
The School of Oriental & African Studies	1 scholar

* Both academic and accommodation scholarships sponsored by International Students House.

“I feel privileged to have received the ISH accommodation scholarship because it gave me the opportunity to not only develop myself but also explore things around me.

“I have developed my confidence in mixing with people from different countries, and it enables me to meet people and learn about their culture, customs and languages.

“ISH has a unique environment because everyone here is very friendly and very supportive. Furthermore, the scholarship has enhanced my independence as I can travel on my own and visit some extraordinary places.”

– London Institute of Banking and Finance Scholar from the UK

Financial and investment review

Financially significant events

Having extended the Wills House lease in December 2016 for £2.7m, negotiations are ongoing with the Crown Estate to renew the lease of the 229 Great Portland Street site, so that both leases co-terminate in December 2158.

Sale of properties

The sale of properties on York Terrace East (YTE) was completed in February 2020 for a total of £58m. The funds received were transferred directly to the investment portfolio and set aside as a designated reserve, for the purpose of securing a new property or properties for the House.

ISH is actively looking to secure a new property to replace the 260 bed spaces and 47 flats that have been lost with the sale of the YTE properties.

There are currently a number of discussions ongoing with property developers that would enable the House to secure a purpose-built student accommodation building in the next few years.

The Covid-19 pandemic

The Covid-19 pandemic continued to affect the House during the 2021-22 financial year. There were recommended restrictions for the first quarter of the year and despite them being lifted afterwards, customer footfall and confidence only started increasing in spring 2022.

Commercial activities, which include the conference venues, live events and the coffee house, were slow to pick up but eventually experienced improved performance with sales for the year up by 77% on the previous year.

The occupancy rate of ISH's accommodation averaged 95% over the academic year, returning to pre-pandemic occupancy rates.

Financial Market instability

During 2021-22, financial markets were very unstable due to the war in Ukraine, the subsequent effects on gas prices as well as the impact of the mini-budget of 23 September 2022. As a result, ISH's investments experienced a net reduction of 7.4% for 2021-22. Dividend pay-out was however in line with expectations, and the dividend income supported the charitable activities of the House for the year.

General financial performance

The Net Operating Expenditure for 2021-22 was £635k (2020-21: £981k). The Net Loss on investment assets for the year was £5,386k (2019-20: £9,991k gain) and this gave rise to an overall net expenditure position for the year of £6,021k (2020-21: £9,010k surplus).

As a result, the total value of unrestricted funds (including designated funds) fell to £81,124k (2020-21: £86,693k) and the total value of restricted funds reduced to £5,080k (2020-21: £5,532k) giving ISH a total reserve level of £86,204K (2020-21: £92,225k).

Improvement in challenging times

Considering the challenges faced by the House in the year, the general financial performance was satisfactory and a significant improvement on the previous year.

Income from both trading and charitable activities recovered compared to 2020-21. Conference income, together with sales and revenue from venues improved by 226% to £1,652k during the year.

Income from charitable activities increased by 79%, reflecting the higher number of residents returning to the House following the pandemic. The number of scholarships awarded for 2021-22 (53) was reduced until the financial position of the House improves.

Following the August 2021 completion of the refurbishment of GPS and Wills House, which began in 2017-18, the focus for the year was on maintaining the infrastructure of the building. Capital expenditure in 2021-22 was £707k (2020-21: £1,582k) with the bulk of the work on the ventilation system; fire alarm upgrade as well as lift improvements.

A light refurbishment of Blain House, another ISH property, situated in Balham, was also undertaken during the year. These investments will enhance ISH's provision to residents in future years.

Investments

The House's Investment Committee has delegated authority from the ISH Board of Governors to oversee the investment portfolio with Quilter Cheviot (QC), who have been the discretionary investment managers of the House since October 2017. Following a re-tendering exercise undertaken in July 2022, QC were appointed for another five years until 2027.

The investment portfolio's market value at the end of 2021-22 was £74.4m (2020-21: £81.3m). The portfolio reduction was mainly due to the market instability experienced during the year. Investment Income received during the year was in line with expectations at £2,014k (2020-21: £2,522k).

The investments are strongly diversified, with investments in a range of asset classes including UK equities, overseas equities, commercial property and infrastructure funds, private equity and bonds.

Scholarship funds

The value of the scholarship funds (both restricted and designated funds) decreased from £8,442k to £7,870k during the year as a direct result of the performance of the investment portfolio.

Environmental, social and corporate governance policy

The House's Environmental, Social and Governance (ESG) policy sets out a fundamental guiding principle that Quilter Cheviot must apply investment criteria based on ESG Standards. During the regular review meetings with the investment manager, the application of ESG policies in making investment decisions is considered.

ISH is committed to being a responsible investor across its investments.

Ethical investment policy statement

The House does not apply an overall ethical exclusionary policy to its dealings with its stakeholders. There is therefore no existing ethical framework for an exclusionary (or positively screened) investment policy.

Should ISH develop such a stance in the future, an investment policy will be developed to dovetail with this as part of a more holistic approach.

Financial and investment review cont.

Reserves policy

As at 30 September 2022, the value of the restricted funds stood at £5,080k and the value of the designated funds was £64,194k.

The various designated and restricted reserves of the House are as follows:

Designated reserves for property acquisition and development

The first designated reserve is the funds set aside for property acquisitions and developments. The sale of YTE was agreed in September 2016 with the sale completed on 12 February 2020. All the proceeds of the sale have been set aside for future acquisitions.

The objective of the Board is to increase the number of bed spaces and setting the funds aside clearly identifies the purpose of the funds generated from the sale of YTE.

Designated reserves for major repairs

As ISH has completed a full refurbishment programme of its accommodation in 2021, setting aside a designated fund will prevent new major repair and renovation projects from impacting the free reserves of the Charity.

This enables the House to have a long-term repair and renovation plan without jeopardising its charitable objectives.

Designated reserves for the scholarship programme

The ISH Scholarship Fund is used each year to provide bursaries to overseas students. The intention is to grow the scholarship funds so that they are self-sufficient, to ensure the perpetuity of scholarships.

Restricted reserves

The restricted scholarship reserves relate to donations and contributions made to ISH to support ISH's scholarship programme. The allocation is based on specific criteria agreed with the respective donors.

The restrictions imposed on the charitable donation from IST to ISH are as follows:

- IST Scholarships – For student accommodation in collaboration with higher education (HE) partners.
- IST Travel Bursaries – For use by ISH Travel Club, to support ISH's mission to promote global friendship and cultural understanding.
- The Mary Trevelyan Hardship Fund – To support students in hardship during their study period at the House.

General reserves

Out of the £16,930k of general reserves, £11,063k is tied up in the Charity's fixed assets and not freely available. This leaves the level of free reserves as at 30 September 2022 at £5,867k.

The free reserves are sufficient to cover over 10 months' worth of operating expenditure, in line with the reserves policy. Guidance from Charity Commission is that charities could consider un-designating reserves to increase their free reserves should there be a need to.

ISH currently has designated reserves of £64,194k which can be utilised should the need arise. The Governors' view is that there should be a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future and financial statements have therefore been prepared on a going concern basis.

Reserves	FY22 Position £'000	FY21 Position £'000	Further Information
Funds represented by property, plants and equipment	11,288	10,730	The funds invested in tangible fixed assets are not freely available to the Charity and therefore excluded from the free reserves
Restricted scholarship reserves	5,080	5,532	Funds restricted to scholarship funding based on donors' specification for the use of their donation. These funds are not freely available. The restricted funds now include funds donated from IST.
Designated ISH scholarship fund	2,790	2,910	The fund is designated to ensure that ISH can satisfy its obligations towards scholars during the course of their scholarships
Designated funds for major repairs	1,200	900	Following the significant refurbishment programme which started - in 2018, funds are being set aside to cover for future repairs on the works recently completed.
Designated funds for property acquisition and developments	60,204	65,000	Following the sale agreement of the YTE Building, funds for property acquisition and developments have been designated to either acquire new accommodation properties or develop existing properties in order to increase accommodation provision.
Free reserves	5,867	6,595	The free reserves level target is to cover 10 - 18 months of expenditure level. The current position covers more than 10 months of operating expenditure.
Total reserves	86,204	92,225	

Financial and investment review cont.

Principal risks and uncertainties

The Governors confirm that the major risks to which the House is exposed as identified by the Governors are regularly reviewed, and systems have been established to mitigate those risks.

The Governors review the Risk Register on a quarterly basis to ensure mitigating actions are in place for all the risks identified.

The Board have identified strategies to mitigate the following major areas of risks:

- Business continuity – while the pandemic is no longer an immediate risk, risk assessment measures and protocols to follow to ensure the business continuity plans are in place for all events impacting on ISH's ability to operate as it normally would.
- Safeguarding – Protecting young people and adults at risk from harm.
- Property – finding alternative accommodation following the sale of properties at York Terrace East and renewal of property leases.
- Financial sustainability – ensuring sufficient income is generated for ISH to achieve its strategic and charitable objectives.

Pension liability

The House is required to provide for and disclose their share of any deficit reduction scheme for schemes of which they are a member.

The House is a contributing employer of the University Superannuation Scheme (USS), for which the House's estimated liability for the pension reduction plan is £60,102.

The House is also a contributing employer of the Superannuation Arrangements of the University of London (SAUL) scheme, for which the House's estimated liability for the pension reduction plan is £90,557. Refer to note 21 below for further detail.

Plans for future periods – operational

The House has a five-year, medium-term strategy from 2023 to 2028, which was reviewed by the Board of Governors at its April 2021 meeting, taking into account the implications of the pandemic.

The operational key points are outlined below:

- To increase the capacity of the Charity, to acquire major freehold or long-lease residential accommodation.
- To upgrade the student facilities and improve the student experience.
- To continue to provide scholarships to students from disadvantaged backgrounds.
- To promote student welfare in other ways, such as the provision of free or subsidised meals.
- To balance the charitable and commercial needs by ensuring the commercial activities complement and support ISH's charitable aims.
- To maintain close institutional links with colleges and universities in London and other key stakeholders.

The Board of Governors plans to undertake a strategic review in March 2023 to assess the Charity's five-year business plan, taking into consideration the financial climate post-pandemic.

Structure, governance and management

Charity details

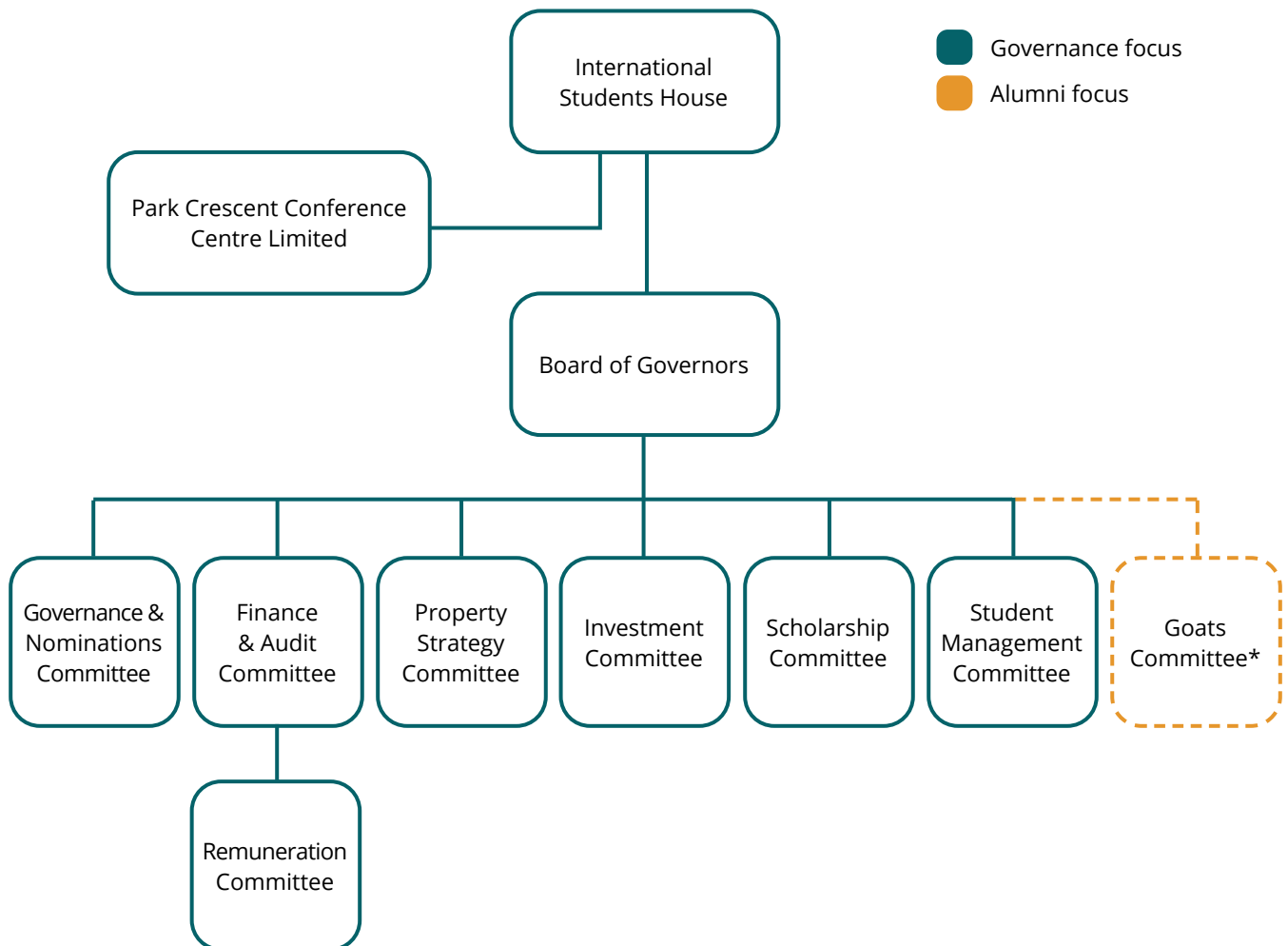
International Students House is a Registered Charity (registration number 313512) and a Company Limited by Guarantee (registration number 724811).

The Charity is governed in line with the Memorandum and Articles of Association, which was updated in May 2020.

Board of Governors

The Board of Governors are responsible for the management of the House. The Governors meet at least four times a year. There are up to 12 Governors who are elected for a three-year period as approved by the existing Governors. These Governors are directors for the purposes of the Companies Act 2006.

The structure of the Board of Governors and its sub-committees is shown below.



* The Goats Committee is the Alumni Association of International Students House.

Structure, governance and management cont.

Board and committees

Each committee has specific terms of reference and functions delegated by the Board and has a chair, also appointed by the Board.

Formal attendance monitoring arrangements for the Governors are in place and are monitored by the Governance and Nominations Committee and the Board on a regular basis.

All the Governors are directors of the company and guarantee to contribute £1 in the event of the company winding up.

In September 2021, the Governors approved the continuation of the Remuneration Committee as a separate committee of the Board.

Charity governance code

In order to ensure that the Charity has the correct structure to achieve its ambitions and aims, ISH has adopted the Charity Governance Code. This code is designed as a tool to support continuous improvement and sets out principles and recommended practices. A Code of Conduct for ISH Governors is also in place and is regularly reviewed to ensure the Charity is adhering to recommended governance practices.

The Governors have had due regard to the need to foster the Charity's business relationships with suppliers, students, customers and others, which is considered when making principal decisions.

Appointments and resignations

Gill Hammond will step down from her role as Chair of the Board in June 2023. The Governors have elected Lord Nicholas Bourne as the new Chair of ISH and he will take over as Chair in June 2023.

Two new Governors were appointed on 22 September 2022 as replacements for retiring Governors.

- New: Richard McDonald and Donal Anand-Shaw
- Retiring: Ajit Lalvani and Beatrice Leong

David O'Brien stepped down from his role as the President of the Goats Committee, ISH's Alumni Association in June 2022 after seven years in post. David was replaced by Karan Daswani who was also appointed as a Governor of International Students House by virtue of his position.

The Governors wish to record their appreciation and gratitude to the departing Governors for their great contribution during their tenure.

Ayesha Waghani was appointed as ISH's Internal Audit Volunteer, on 12 February 2022. Unfortunately, due to professional commitments, Ayesha is not able to continue the Internal Audit Volunteer role and will step down at the end of March 2023. A search is currently underway to appoint the next internal auditor of the House.

Auditors

Moore Kingston Smith LLP was re-appointed as the House's auditor during the year. A benchmarking exercise will be undertaken in 2023 ahead of appointing the company's auditors for the forthcoming year.

A resolution to appoint the company's auditor will be proposed at a Board Meeting in 2023.

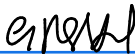
Disclosure of information to auditors

In the case of each of the persons who are Governors of the company at the date when this report was approved:

- So far as each of the Governors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditors are unaware; and
- Each Governor has taken all the necessary steps to make themselves aware of any information relevant to the audit and to establish that the auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 2006

This report, and the Strategic Report, were approved by the Board of Governors and signed on behalf of the Board on 9 March 2023.


[Gill Hammond \(Mar 14, 2023 11:10 GMT\)](#)

Gill Hammond

Organisation details

The reference and administrative details of International Students House, its governors and advisers are as follows:

CHAIR	Gill Hammond (Chair)		
GOVERNORS	Lord Nicholas Bourne (Vice Chair)	David O'Brien (Retired 23/06/2022)	
	Ian Barry	Natalia Kolotneva	
	Prof Ajit Lalvani (Retired 03/03/2022)	Kirsty Joan Macdonald	
	Ranjita Rajan	Kalyan Das	
	Azlinda Ariffin-Boromand	Karan Mithu Daswani (Appointed 23/06/2022)	
	Beatrice Leong (Retired 22/09/22)	Donal Anand-Shaw (Appointed 22/09/2022)	
	John Garbutt	Richard McDonald (Appointed 22/09/22)	
PATRON	HRH The Princess Royal		
VICE PRESIDENTS	David Laing	Sir John Ritblat	Dr Geoffrey Copland CBE
	Rosamund Horwood-Smart QC	Baroness Diana Warwick of Undercliffe	
CHIEF EXECUTIVE	Martin Chalker		
COMPANY SECRETARY	Shami Nathoo		
HONORARY FELLOWS	Roy Rohatgi	Dorothy Dalton	Lord Khalid Hameed CBE
	Major John Vaughan	Dato' Yeah Soo Min	Teresa Akpeki
	Susan Vaughan	Andrew Tennant	Russell Peters
	Mary Mackie	Sir Graeme Davies (Deceased August 2022)	Jonathan Day
	Judge David Owen Jones	Peter Anwyl	Ipek De Vilder
	Richard Porter	Margret Swinley OBE	
	Sir Nigel Carrington	Lord Amir Bhatia	
REGISTERED OFFICE	1 Park Crescent, Regents Park, London, W1B 1SH		
COMPANY LIMITED BY GUARANTEE IN ENGLAND	724811		
REGISTERED CHARITY NUMBER	313512		
SOLICITORS	Bircham Dyson Bell, 50 Broadway, Westminster, London SW1H 0BL Shakespeare Martineau LLP Exchange Square, 21 North Fourth Street, Milton Keynes, MK91 1HL		
BANKERS	Handelsbanken, 3rd Floor, 86 Jermyn Street, London SW1Y 6JD		
INVESTMENT MANAGERS	Quilter Cheviot Investment Management Senator House, 85 Queen Victoria Street, London, EC4V 4AB		

Statement of governors' responsibilities

Governors' report

The Governors (the Directors of International Students House for the purposes of company law and Trustees of International Students House for the purposes of charity law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Financial statements

Company law requires Governors to prepare financial statements for each financial year that give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

In preparing these financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

Accounting records

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

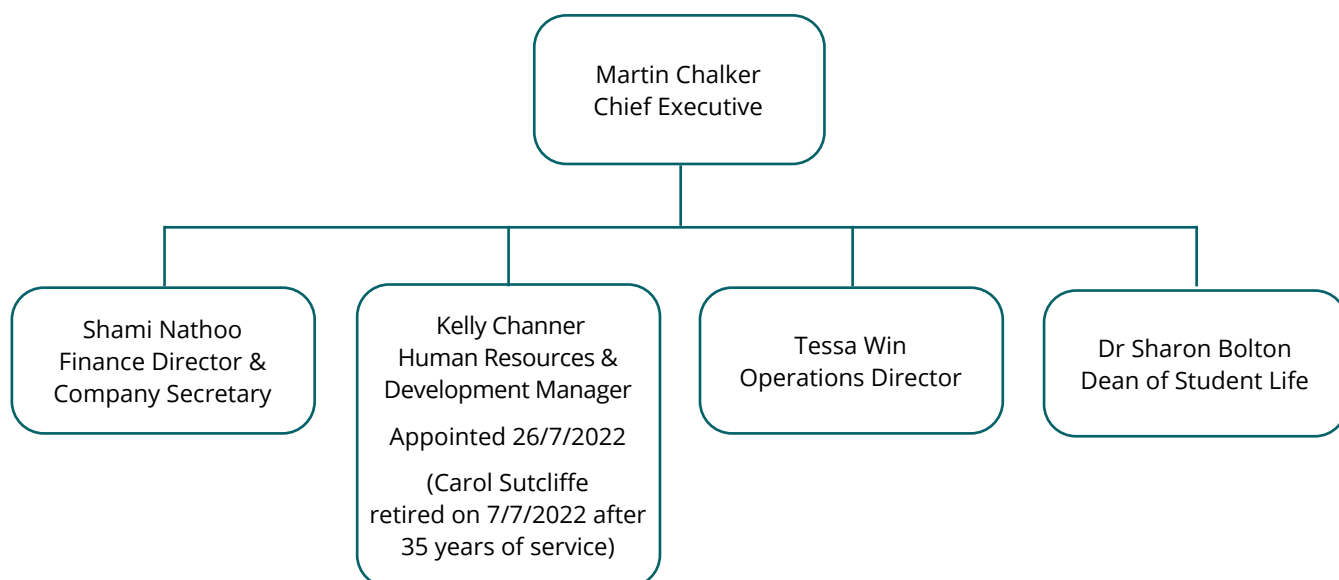
Safeguarding assets

They are also responsible for safeguarding the assets of the charitable company and the group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Governors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Governors 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.

Organisational structure



Remuneration

The remuneration bands for the five senior managers earning over £60k per annum are disclosed in note 10 below.

Pay policy for senior staff

The Remuneration Committee is formed of Governors. The committee meets in November each year and approves the pay for senior staff.

The committee also approves the application of any annual bonuses to staff, from a capped bonus pool via a performance-related assessment. In 2021-22 a pay award was approved for all staff instead of an annual bonus due to exceptional economic circumstances.

Remuneration is assessed after looking at market rates and industry benchmarks.

Related entities

Toyota-Shi Trevelyan Trust

The House has a close association with the charity Toyota-Shi Trevelyan Trust (TSTT) which provides grant income for UK students studying in Japan, and Japanese students studying in the UK.

ISH and the Trust appoint 50% of the Trustees of this charity. The Chief Executive of ISH is also Chief Executive of all the related entities and Shami Nathoo, is the Company Secretary of the House and all the related entities.

Park Crescent Conference Centre Limited

ISH has a wholly owned subsidiary – Park Crescent Conference Centre Limited (PCCC). PCCC reported a profit of £73,793 (2020-21 £34,615) in the year ending 30 September 2022. This amount will be paid as a distribution to ISH in 2023.

Independent auditor's report

Independent auditor's report to the members of International Students House (a registered Charity and Company Limited by Guarantee)

Opinion

We have audited the financial statements of International Students House (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 30 September 2022 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 September 2022 and of the group's incoming resources and application of resources, including its 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 charitable company 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 group's and parent 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual 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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 cont.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 group and parent 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 group or parent 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as

fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with

laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 which 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP
Moore Kingston Smith LLP (Mar 14, 2023 14:33 GMT)

Neil Finlayson (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP,
Statutory Auditor

9 Appold Street
London
EC2A 2AP

Consolidated statement of financial activities

(Incorporating an income and expenditure account for the year ended 30 September 2022)


	Note	Unrestricted funds	Designated funds	Restricted funds	Total	Total
		£'000	£'000	£'000	2022	2021
INCOME & ENDOWMENTS:						
Charitable activities	3	2,308	-	-	2,308	1,286
Other trading activities	4	1,638	13	1	1,652	507
Donations and legacies	5	7	-	-	7	771
Investment income	6	1,827	79	113	2,019	2,523
Total incoming resources		5,780	92	114	5,986	5,087
EXPENDITURE ON:						
Raising funds	8	(1,997)	(16)	(6)	(2,019)	(1,579)
Charitable activities	9	(4,343)	(38)	(221)	(4,602)	(4,489)
Total resources expended		(6,340)	(54)	(227)	(6,621)	(6,068)
Net operating income/ (expenditure)		(560)	38	(113)	(635)	(981)
Net gain/ (loss) on investment assets	13	(369)	(4,966)	(51)	(5,386)	9,991
Exceptional Gain/Loss	7	-	-	-	-	-
Net income/ (expenditure)		(929)	(4,928)	(164)	(6,021)	9,010
Transfer between funds in the year		(300)	300	-	-	-
Net movements in funds		(1,229)	(4,628)	(164)	(6,021)	9,010
FUND BALANCES:						
at 1 October 2021		18,362	68,756	5,107	92,225	83,215
at 30 September 2022		17,133	64,128	4,943	86,204	92,225

Consolidated balance sheet: as at 30 September 2022


Company registration no. 724811	Note	Consolidated		Charity	
		2022	2021	2022	2021
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12	11,063	11,288	11,063	11,288
Investments	13	75,276	81,322	75,276	81,322
		<u>86,339</u>	<u>92,610</u>	<u>86,339</u>	<u>92,610</u>
Current assets					
Stocks		21	23	21	23
Debtors	15	376	277	428	286
Cash at bank and in hand		1,155	696	902	595
		<u>1,552</u>	<u>996</u>	<u>1,351</u>	<u>904</u>
Creditors					
Amounts falling due within one year	16	(1,612)	(1,332)	(1,485)	(1,275)
Net current liabilities		(60)	(336)	(134)	(371)
Total assets: less current liabilities		86,279	92,274	86,205	92,239
Creditors: amounts falling due after more than one year		-	-	-	-
Provisions for liabilities and charges	17	(75)	(49)	(75)	(49)
Net assets		86,204	92,225	86,130	92,190
Funds					
Unrestricted:					
- General fund	19	16,930	17,883	16,856	17,848
- Funds for major repairs (designated)	19	1,200	900	1,200	900
- Reserve for future purposes (designated)	19	60,204	65,000	60,204	65,000
- ISH Scholarship Fund (designated)	19	2,790	2,910	2,790	2,910
Restricted:					
- Total restricted funds	19	5,080	5,532	5,080	5,532
		86,204	92,225	86,130	92,190

These financial statements were approved and authorised for issue by the Governors on 8 March 2023. The accompanying notes form part of the financial statements. No separate SOFA has been presented for the Charity alone, as permitted by section 408 of the Companies Act 2006. The Charity's income for 2021-22 was £4,506k (2020-21: £4,190K) and it made a deficit of £6,060k (2020-21: a surplus of £8,984k).

Signed on behalf of the Governors by:


Gill Hammond (Mar 14, 2023 11:10 GMT)

Gill Hammond
(Chair)


Nicholas Bourne (Mar 14, 2023 11:29 GMT)

Lord Nicholas Bourne
(Vice Chair)

Consolidated cash flow statement: year ended 30 September 2022

	Note	2022	2021
		£'000	£'000
Cash outflows from operating activities	A	(1,513)	(2,160)
Cash inflows from investing activities	B	3,418	1,884
Change in cash and cash equivalents in the reporting period		1,905	(276)
Cash and cash equivalents at 1 October 2021		2,186	2,462
Cash and cash equivalents at 30 September 2022	C	4,091	2,186

Cash and cash equivalents at 30 September consist of:		2022	2021
		£'000	£'000
Cash component of fixed assets investments	13	2,936	1,490
Cash at bank and in hand		1,155	696
Total		4,091	2,186

Notes to the cash flow statement: year ended 30 September 2022

	2022	2021
	£'000	£'000
Reconciliation to changes in resources:		
Net expenditure in the year	(635)	(981)
Cash transfer following donation from sister charity	-	205
Investment income	(2,014)	(2,522)
Interest receivable and sundry income	(5)	(1)
(Profit)/ loss on disposal of fixed assets	-	-
Net provisions charged (see note 18)	26	(103)
Depreciation of tangible fixed assets	932	1,024
(Increase)/ decrease in stocks	2	(7)
(Increase)/ decrease in debtors	(99)	89
Increase/ (decrease) in creditors	280	136
Net cash provided by/ used in operating activities	(1,513)	(2,160)

B. Cash flows from investing activities	2022	2021
	£'000	£'000
Investment income received	2,014	2,522
Interest received	5	1
Purchases of tangible fixed assets	(707)	(1,582)
Purchases of fixed asset investments	(41,357)	(7,380)
Less: sales of fixed asset investments	43,463	8,323
Net cash provided by investing activities	3,418	1,884

C. Analysis of cash and cash equivalents	2022	2021
	£'000	£'000
Cash component of fixed asset investments	2,936	1,490
Cash in hand and at bank	1,155	696
Total cash and cash equivalents	4,091	2,186

Notes to the accounts

1. Company information

International Students House is a registered charity (registration number 313512) and a company limited by guarantee (company registration number 724811) incorporated in England and Wales.

The registered office is: 1 Park Crescent, Regents Park, London, W1B 1SH.

Basis of preparation

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and the requirements of the Companies Act 2006.

The Charitable Company is a public benefit company as defined by FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

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

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of investments and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going concern

The Governors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions, including the impact of the Covid-19 pandemic on the Charity's activities, that might cast significant doubt on the ability of the Charity one year from the date of approval of the financial statements. In particular, the Governors have considered the Charity's forecasts and projections and have taken account of pressures on accommodation income and other trading activities.

After making enquiries the Governors have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future.

The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Group accounts

The income and expenditure account of the consolidated operation only has been presented, as permitted by Section 408 of the Companies Act 2006.

Incoming resources

House income represents income received and receivable from the provision of accommodation and associated services.

Income is recognised in the accounting period when the person enjoying the accommodation was in residence. Investment income represents the income from the investment portfolio. All income originates from within the United Kingdom.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis. Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of occupancy rates between the Charity and its subsidiary, and the proportion of time spent by staff on those activities.

Investments

Investments are stated at market value. It is the Charity's policy to keep valuations up to date such that when investments are sold there is no realised gain or loss arising.

As a result, the Statement of Financial Activities does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the investment portfolio throughout the year.

Stocks

Stocks are valued at the lower of cost and net realisable value and represent goods for resale, and bar liquor stocks.

Depreciation

Depreciation policy was reviewed during the year, and is calculated to write down the cost of tangible fixed assets in equal annual instalments to their estimated residual values over the period of their estimated useful economic lives, which are considered to be:

- Freehold & long leasehold property: 50 years
- Freehold & leasehold improvements: 10 or 20 years
- Furniture fittings & equipment: 5, 8 or 10 years
- Computers/ computer software: 3 or 10 years

An impairment review of all tangible fixed assets of significant value is undertaken annually. Items below £1,000 each are not treated as capital items.

Financial assets

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

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets are initially measured at fair value plus transaction costs, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through profit or loss are measured at fair value.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the statement of financial activities.

Notes to the accounts cont.

Impairment of tangible and intangible assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Charity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Loan and receivables

Loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Pensions

Pension payments represent payments made to the University Superannuation Scheme Limited (USS Scheme) for senior staff and the Superannuation Arrangements of the University of London (SAUL Scheme) for other staff.

These payments are charged to the income and expenditure account in the year in which they fall due.

The schemes are contracted out of the State Earnings Related Pension Scheme. The schemes are valued formally every three years by professionally qualified and independent actuaries using the projected unit method. Reviews of the schemes' positions are carried out in the period between valuations.

Provisions

The movement on the provision for the exterior redecoration of the property is charged annually to the Income & Expenditure statement.

Foreign currency accounting policy

The accounting records show foreign currency bank account balances at the Sterling equivalent at the balance sheet date.

Operating lease policy

Rentals payable with regard to operating leases are charged against income on a straight-line basis over the period of the lease.

Fund accounting

Funds held by the Charity are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Governors.

Restricted funds – these are funds that can only be used for particular purposes specified by the donor or when funds are raised for particular purposes within the objects of the Charity.

Unrestricted designated funds – these funds represent funds which have been separately designated by the Trustees of the Charity, as part of unrestricted funds.

Rounding policy

Amounts shown on the financial statements are rounded to the nearest thousand-pound sterling unless stated otherwise in the header.

Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. In the view of the Governors in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

Notes to the accounts cont.

2. The operating surplus is arrived at after charging

	2022	2021
	£'000	£'000
Auditors' remuneration	29	26
Repairs and maintenance	487	455
Cleaning materials and contracts	5	44
Fuel and power	184	147
Insurances	71	63
Depreciation – owned assets	932	1,024
Provision for exterior redecoration	49	43
Other professional fees	384	341

3. Analysis of charitable Income

	2022	2021
	£'000	£'000
Income from accommodation:	£'000	£'000
Gross income	2,811	1,962
Less: bursaries and scholarships funded by ISH	(503)	(676)
	2,308	1,286

4. Analysis of other trading income

	2022	2021
	£'000	£'000
Public entertainment licence and bar revenue	951	213
Conference revenue	295	27
Contract revenue	62	63
Membership income	34	26
Miscellaneous	2	1
Travel Club revenue	16	1
Coffee House income	292	176
	1,652	507

5. Analysis of donations and legacies

	2022	2021
	£'000	£'000
Donations received	7	26
Grants received from HMRC	-	273
Grant received from the Culture Recovery Fund (CRF)	-	472
	7	771

6. Analysis of investment income

	2022	2021
	£'000	£'000
Dividends from listed investments	2,014	2,522
Interest receivable	5	1
	2,019	2,523

7. Exceptional gains and losses

No exceptional gains or losses occurred in 2021-22 (2020-21 - £0)

8. Expenditure on raising funds

	2022	2021
	£'000	£'000
Conference, bar and other expenses	1,607	1,238
Investment expenses	412	341
	2,019	1,579

9. Expenditure on charitable activities

	2022	2021
	£'000	£'000
Bursaries and grants payable	259	376
Other charitable purposes expenses	4,305	4,077
Governance expenses	38	36
	4,602	4,489

Notes to the accounts cont.

10. Employees

	2022	2021
Average number of persons employed by the Charity and its subsidiary:	No.	No.
Administration	24	31
Student services	15	12
Maintenance and housekeeping	14	17
	53	60
Employees' costs during the year for the Charity and its subsidiary:	£'000	£'000
Wages and salaries	2,254	2,144
Social security costs	227	208
Other pension costs (note 22)	302	271
	2,783	2,623
Remuneration of higher paid staff (senior management), excluding pension contribution but including benefits in kind:	No.	No.
£60,001 - £70,000	1	-
£70,001 - £80,000	1	2
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1
£120,001 - £130,000	1	1
	5	5

The above five staff members received a total of £87k in employer's pension contributions in the year (2020-21: £81k). The total employee benefits of the Charity's key management personnel were £605k (2020-21: £582k).

11. Governors' emoluments

No Governor received emoluments during the year (2020-21: £nil). Four Governors claimed a total of £132 for travel expenses during the year (2020-21: £23).

12. Tangible fixed assets – consolidated and charity

	Freehold Properties	Long Leasehold properties	Freehold & leasehold improvements	Equipment furniture & fittings	Computers & equipment	Total
Cost:	£'000	£'000	£'000	£'000	£'000	£'000
At 30 September 2021	955	5,392	10,255	2,794	283	19,679
Additions	-	-	452	255	-	707
Disposals	-	-	(768)	(122)	(8)	(898)
At 30 September 2022	955	5,392	9,939	2,927	275	19,488
Depreciation:						
At 30 September 2021	298	2,225	3,956	1,652	260	8,391
Charge for the year	19	45	590	266	12	932
Disposals	-	-	(768)	(122)	(8)	(898)
At 30 September 2022	317	2,270	3,778	1,796	264	8,425
Net book value:						
At 30 September 2021	657	3,167	6,299	1,142	23	11,288
At 30 September 2022	638	3,122	6,161	1,131	11	11,063

Notes to the accounts cont.

13. Fixed assets investments – consolidated and charity

	2022	2022	2022	2021
	£'000	£'000	£'000	£'000
Non-cash investments:	Listed	Other	Total	Total
Market value at 30 September 2021	78,907	925	79,832	70,784
Purchases	41,357	-	41,357	7,380
Disposals	(43,463)	-	(43,463)	(8,323)
Net investment gains / (losses)	(5,371)	(15)	(5,386)	9,991
Market values at 30 September 2022	71,430	910	72,340	79,832
Cash held for investments	2,936	-	2,936	1,490
Total investments	74,366	910	75,276	81,322
	Listed	Other	Total	
	£'000	£'000	£'000	
Cost at 30 September 2022	69,583	14	69,597	
Cost at 30 September 2021	67,283	14	67,297	

The portfolio investments are invested in UK equities, overseas equities, commercial property funds and tracker funds. The portfolio of the listed investments at 30 September 2022 are as follows:

Investments categories	2022	2021
	£'000	£'000
Fixed interest – United Kingdom	5,534	5,022
Fixed interest – overseas	-	999
Equities – United Kingdom	5,283	18,339
Equities – North America	24,479	19,325
Equities – Europe (Ex. U.K)	5,696	6,409
Equities – Japan	1,687	1,993
Equities – Asia Pacific (Ex. Japan)	2,147	3,481
Emerging markets	2,298	2,523
Equities – global	2,123	1,223
Infrastructure	5,721	4,963
Property	13,555	11,774
Commodities	1,598	-
Private Equity	1,309	2,856
Investments total	71,430	78,907
Cash products	2,936	1,490
Total at 30 September	74,366	80,397

14. Investment in subsidiary

The Charity holds an investment of £1 in Park Crescent Conference Centre Limited, which is a trading company registered in England and Wales with company number 04096563. This £1 investment represents 100% of the ordinary share capital of Park Crescent Conference Centre Limited.

15. Debtors

	Consolidated		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade debtors	142	55	108	35
Amounts owed by connected trusts				
- Toyota-Shi Trevelyan Trust	16	1	16	2
Amount owed by subsidiary	-	-	86	28
Other debtors	6	55	6	55
Prepayments and accrued income	212	166	212	166
Closing balance at 30 September	376	277	428	286
Provision for doubtful debts				
	Consolidated		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Opening balance	6	15	6	15
Addition to provision	-	(9)	-	(9)
Closing balance at 30 September	6	6	6	6

As at 30 September 2022, there was a debt of £16k (2020-21: £1k) owed to ISH by the Toyota-Shi Trevelyan Trust. This debt will be settled by a transfer of investment assets to the value of £16k in April 2023.

Toyota-Shi Trevelyan Trust is a registered charity of which Gill Hammond is the Chair and Shami Nathoo is the Company Secretary.

Park Crescent Conference Centre Limited (PCCC Ltd.) is a trading subsidiary of ISH. PCCC Ltd ended the financial year with a surplus of £74k (2020-21: £35k) and the profit will be paid as a distribution to ISH in 2022-23.

Notes to the accounts cont.

16. Creditors: amounts falling due within one year

	Consolidated		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade creditors	305	342	277	328
Other taxation and social security	79	52	79	52
Other creditors	383	379	356	337
Accruals and deferred income	845	559	773	558
Closing balance at 30 September	1,612	1,332	1,485	1,275

17. Provisions for liabilities and charges

	Consolidated and Charity	
	2022	2021
	£'000	£'000
Provision for liabilities and charges:		
Opening balance at 1 October	49	152
Provided during the year	49	43
Expenditure incurred during the year	(23)	(146)
Closing balance at 30 September	75	49

Under the terms of its lease with the Crown Estate, International Students House is obliged to maintain the external fabric of the Great Portland Street site. The Governors decided to increase the provision for external redecoration in 2017-18 following the extension of the lease at Wills House in order to take into account the redecoration costs of both properties.

18. Movement in accruals and deferred income in the year

	Consolidated		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
At 1 October	559	526	558	525
Deferred income brought to account	(484)	(370)	(483)	(369)
Accrued expenditure paid out	(75)	(156)	(75)	(156)
Income received in year and deferred	746	484	674	483
Expenditure accrued at year end	99	75	99	75
At 30 September	845	559	773	558

Deferred income principally consists of prepayments of accommodation income.

19. (Section 1) Analysis of net assets between funds – consolidated

Fund balances as at 30 September 2022 are represented by:	General fund (unrestricted)	Designated funds	Restricted funds	Total funds
	£'000	£'000	£'000	£'000
Consolidated assets				
Tangible fixed assets	11,062	-	-	11,062
Current assets and investments	15,455	56,294	5,080	76,829
Current liabilities	(1,612)	-	-	(1,612)
Provision for liabilities and charges	(75)	-	-	(75)
Movement in reserves	(7,900)	7,900	-	-
Total net assets	16,930	64,194	5,080	86,204

	Balance 1/10/21	Income	Expenditure	Gains/ losses	Transfer between funds	Balance 30/09/22
	£'000	£'000	£'000	£'000	£'000	£'000
Consolidated funds						
General fund (unrestricted)	17,883	5,779	(6,330)	(102)	(300)	16,930
Funds for major repairs (designated)	900	-	-	-	300	1,200
Reserve for future purposes (designated)	65,000	-	-	(4,796)	-	60,204
ISH Scholarship Fund (designated)	2,910	92	(42)	(170)	-	2,790
International Students Trust Fund (restricted)	4,585	94	(194)	(259)	-	4,226
Mary Trevelyan Fund (restricted)	319	8	(17)	(21)	-	289
William Ross Murray Scholarship (restricted)	94	1	-	(6)	-	89
ISH African Students Bursary (restricted)	338	9	(14)	(20)	-	313
Tara Nirula Arts Scholarship (restricted)	100	3	(12)	(6)	-	85
Ellenor Mary Anwyl Scholarship (restricted)	70	-	-	(4)	-	66
Wahid Butt Scholarship (restricted)	16	-	-	(1)	-	15
Rose Fung Memorial Scholarship (restricted)	-	-	(12)	-	-	(12)
Goats Indian Scholarship Fund (restricted)	10	-	-	(1)	-	9
Total funds	92,225	5,986	(6,621)	(5,386)	-	86,204

Notes to the accounts cont.

The International Students House Scholarship Fund

The ISH Scholarship Fund is a designated fund which was established in 1996 to fund scholarships for students from the developing world. During 2021-22 this fund received £150k from International Students Trust restricted fund and expended an additional £525k on scholarships for students from developing countries.

The International Students Trust Fund

The IST Fund is a restricted fund set up following the donation received from IST in 2020. This is to fund the accommodation scholarships attributed in collaboration with higher education partners. The fund is also used by the ISH Travel Club.

The Mary Trevelyan Hardship Fund

The MT Hardship Fund (previously managed by IST) was transferred to ISH in 2020 following the donation of funds received from IST. The fund is used to support students in unexpected hardship during their study period at ISH.

The Goats Indian Scholarship Fund

The Goats Indian Scholarship Fund was established in 2013 to fund scholarships for students from India.

The William Ross Murray Scholarship

The William Ross Murray Scholarship was established in 1998 to fund scholarships for students from the developing world.

The International Students House African Students Bursary

The International Students House African Students Bursary was established in 2000 and provides scholarships to students born and resident in Africa who wish to study in London.

The Tara Nirula University of the Arts Scholarship

The Tara Nirula University of the Arts Scholarship was established in 2008 and provides tuition fees, accommodation and food for a student from India with a place on a master's course at the London College of Fashion, University of the Arts.

The Ellenor Mary Anwyl Scholarship

The Ellenor Mary Anwyl Scholarship was established in 2014. It has provided a master's scholarship since 2016 for a female student from South Asia, jointly awarded and funded with the School of Oriental and African Studies.

Wahid Butt donation

Wahid Butt made a donation in 2018 of funds to be used towards accommodation for an ISH scholar from Palestine or Pakistan, studying science or medicine. We are working with Imperial College London to find a scholar for this award in 2023-24.

The Rose Fung Memorial Scholarship

The Rose Fung Memorial Scholarship was set up in 2020 by Alumna Wendy Fung and to date it has supported the accommodation costs of two scholars living at ISH and studying a masters course at UCL (Institute of Global Health).

19. (Section 2) Analysis of net assets between funds – charity

Fund balances as at 30 September 22 are represented by:	General fund (unrestricted)	Designated funds	Restricted funds	Total funds
	£'000	£'000	£'000	£'000
Charity assets				
Tangible fixed assets	11,062	-	-	11,062
Current assets and investments	7,654	63,894	5,080	76,628
Current liabilities	(1,485)	-	-	(1,485)
Provision for liabilities and charges	(75)	-	-	(75)
Movement in reserves	(300)	300	-	-
Total net assets	16,856	64,194	5,080	86,130

	Balance 1/10/21	Income	Expenditure	Gains/ losses	Transfer between funds	Balance 30/09/22
Charity funds	£'000	£'000	£'000	£'000	£'000	£'000
General fund (unrestricted)	17,848	4,299	(4,889)	(102)	(300)	16,856
Funds for Major Repairs (designated)	900	-	-	-	300	1,200
Reserve for Future Purposes (designated)	65,000	-	-	(4,796)	-	60,204
ISH Scholarship Fund (designated)	2,910	92	(42)	(170)	-	2,790
International Students Trust Fund (restricted)	4,585	94	(194)	(259)	-	4,226
Mary Trevelyan Fund (restricted)	319	8	(17)	(21)	-	289
William Ross Murray Scholarship (restricted)	94	1	-	(6)	-	89
ISH African Students Bursary (restricted)	338	9	(14)	(20)	-	313
Tara Nirula Arts Scholarship (restricted)	100	3	(12)	(6)	-	85
Ellenor Mary Anwyl Scholarship (restricted)	70	-	-	(4)	-	66
Wahid Butt Scholarship (restricted)	16	-	-	(1)	-	15
Rose Fung Memorial Scholarship (restricted)	-	-	(12)	-	-	(12)
Goats Indian Scholarship Fund (restricted)	10	-	-	(1)	-	9
Total funds	92,190	4,506	(5,180)	(5,386)	-	86,130

Notes to the accounts cont.

20. Total resources expended

2022	Grants	Other direct costs	Support costs	Total 2022
	£'000	£'000	£'000	£'000
Raising funds	-	1,170	849	2,019
Charitable activities	150	1,788	2,664	4,602
Total resources expended	150	2,958	3,513	6,621

2021	Grants	Other direct costs	Support costs	Total 2021
	£'000	£'000	£'000	£'000
Raising funds	-	656	923	1,579
Charitable activities	149	1,641	2,699	4,489
Total resources expended	149	2,297	3,622	6,068

Bursaries and grants paid are allocated on the basis of need and merit, after careful consideration of applications received with reference to the allocation terms of the various funds.

Cost allocation includes an area of judgment, and the Charity has had to consider the cost benefit of detailed calculations and record keeping. Direct overheads including payroll are allocated within other costs above. Indirect costs have been allocated on the basis of the table below.

Support costs and basis of allocation:

		2022	2021
Nature of cost	Allocation basis	£'000	£'000
Staff payroll and on costs	Estimated time spent	1,225	1,410
Premises and utilities	Floor area	1,521	1,541
Administration and other overheads	Sales income	767	671
Total support costs		3,513	3,622

21. Pension schemes

Pension arrangements for staff of International Students House are based on final salary benefit schemes with the University Superannuation Scheme (USS) Ltd for two senior staff and the Superannuation Arrangements of the University of London (SAUL) for other staff.

Universities Superannuation Scheme (USS)

Significant accounting policies

The Charity participates in the USS scheme. With effect from 1 October 2016, the scheme changed from a defined benefit only pension scheme to a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits.

The Charity participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate Trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Charity is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

As required by Section 28 of FRS 102 "Employee benefits", the Charity therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme.

Since the Charity has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the Charity recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

Critical accounting judgements

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer.

A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as USS.

The accounting for a multi-employer scheme, where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with the resulting expense charged through the profit or loss account in accordance with section 28 of FRS 102.

The directors are satisfied that USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

Notes to the accounts cont.

Deficit Recovery Liability

The total cost charged to the Income and Expenditure statement for the year ending 30 September 2022 was £63,307 (2020-21: £60,671). It is estimated that International Students House's liability under this programme is £60,102 (2020-21: £55,136). This amount has been reflected in the financial statements above under other creditors.

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2020 (the valuation date) and was carried out using the projected unit method.

Since the Charity cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.1% p.a. to 2030, reducing linearly to 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post-retirement: 1.00% p.a.

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2020 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females

The current life expectancies on retirement at age 65 are:

	2022	2021
Males currently aged 65 (years)	23.9	24.7
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.7
Females currently aged 45 (years)	27.3	27.9

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan.

The liability figures have been produced using the following assumptions:

	2022	2021
Discount rate	11%	3.75%
Pensionable salary growth	5.0%	4.5%

Notes to the accounts cont.

Superannuation Arrangements of the University of London (SAUL)

ISH participates in the SAUL, which is a centralised defined benefit scheme within the United Kingdom and was contracted out of the Second State Pension (prior to April 2016).

SAUL is an independently managed pension scheme for the non-academic staff of over 50 colleges and institutions with links to higher education. Pension benefits accrued within SAUL currently build up on a Career Average Revalued Earnings (CARE) basis.

ISH is not expected to be liable to SAUL for any other current participating employer's obligations under the Rules of SAUL, but in the event of an insolvency of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

Funding policy

SAUL's statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL's benefits as they fall due ("Technical Provisions"). The Trustee adopts assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from Members' accrued pension rights to be met.

The Technical Provisions assumptions include appropriate margins to allow for the possibility that events turn out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2020. Informal reviews of SAUL's position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

The funding principles were agreed by the Trustee and employers in June 2021 and will be reviewed again at SAUL's next formal valuation in 2023.

At the 31 March 2020 valuation, SAUL was 94% funded on its Technical Provisions basis. However, market movements following the valuation date were positive and the Trustee and the Employers agreed to allow for post-valuation experience up to 30 April 2021.

As SAUL was in surplus on its Technical Provisions basis at that date, no deficit contributions were required. However, the Trustee and the Employers have agreed that the ongoing Employers' contributions will increase from a rate of 19% of CARE Salaries to 21% from 1 January 2023.

Accounting policy

ISH is a Participating Employer in SAUL. The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of SAUL's assets at 31 March 2020 was £3,612 million representing 94% of the liabilities.

The market value of SAUL's assets at 30 April 2021 was £4,369 million representing 109% of the estimated liabilities.

It is not possible to identify an individual Employer's share of the underlying assets and liabilities of SAUL. ISH accounts for its participation as if it were a defined contribution scheme. Pension costs are based on the amounts actually paid (cash amounts) in accordance with paragraphs 28.11 of FRS 102.

Although there was a Technical Provisions deficit at 31 March 2020, allowing for post valuation experience to 30 April 2021, SAUL had a Technical Provisions surplus. Therefore, no deficit contributions were required following the 2020 valuation and there is no defined benefit liability (i.e., the present value of any deficit contributions due to SAUL) to be recognised by ISH.

The defined benefit liability to be recognised by International Students House in respect of the deficit contributions due to SAUL (i.e., the present value of the deficit contributions) is £90,557 as at 30 September 2022. This liability is based on a projection of CARE Salaries over the period to 30 September 2024 and has been reflected in the financial statements above under other creditors.

22. Subsidiaries

The Charity's trading subsidiary, Park Crescent Conference Limited, which is wholly owned and registered in England and Wales, was activated during 2005-06. The Charity holds 100% of the ordinary share capital of the company which is £1.

Its principal activity is the supply of conference, bar and related facilities and services to residents, clients and patrons.

Results for the year ended 30 September 2022 were as follows:

	2022	2021
	£	£
Profit and loss account		
Turnover	1,612,678	913,630
Costs of sales	(297,017)	(271,456)
Gross profit	1,315,661	642,174
Other expenses	(1,241,868)	(607,559)
Profit/ (loss) for the year	73,793	34,615
Balance sheet		
Net assets	73,794	34,616
Share capital	1	1
Retained profit/ (loss)	73,793	34,615
Total shareholders' funds	73,794	34,616

During the year Park Crescent Conference Limited made a surplus of £73,793 (2020-21: £34,615); this amount will be paid as a distribution in 2022-23 to International Students House.

23. Related parties

ISH is connected with two other charities; the Toyota-Shi Trevelyan Trust of which Gill Hammond is the Chair; and International Students Trust, a dormant charity of which John Garbutt is the Chair. Shami Nathoo is the Company Secretary of both these charities.

There were no transactions with these parties during the year (2020-21: nil).

Amounts owed by connected trusts at the year-end are disclosed in notes 15.

Notes to the accounts cont.

24. Operating lease commitments

At 30 September 2022, ISH had outstanding commitments for future minimum lease payments under non-cancellable operating lease.

	2022	2021
Office equipment	£	£
Due within one year	20,040	20,040
Due between two to five years	22,502	37,943
	42,543	57,983

25. Capital commitments

At 30 September 2022, the group had capital commitments for fixtures and fittings and equipment (Ventilation upgrade and fire alarms system) of £549k (2020-21: £128k).

26. Taxation

International Students House is a registered charity and as such its income and gains falling within s505 ICTA 88 or s256 TCGA 92 are exempt from corporation tax to the extent that they are applied to its charitable objectives. Its subsidiary Park Crescent Conference Limited has not incurred a tax charge, as it has donated the surpluses it has achieved in the last few financial years to ISH.



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Students House

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ANNUAL REPORT 2022

ISH Annual Report 2022 Approved by Board











09.03.23


Final Audit Report


2023-03-14


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-  Email viewed by nickbourne1@hotmail.co.uk
2023-03-14 - 11:28:08 AM GMT- IP address: 86.156.19.188
-  Signer nickbourne1@hotmail.co.uk entered name at signing as Nicholas Bourne
2023-03-14 - 11:29:08 AM GMT- IP address: 86.156.19.188
-  Document e-signed by Nicholas Bourne (nickbourne1@hotmail.co.uk)
Signature Date: 2023-03-14 - 11:29:10 AM GMT - Time Source: server- IP address: 86.156.19.188
-  Document emailed to nfinlayson@mks.co.uk for signature
2023-03-14 - 11:29:14 AM GMT

 Email viewed by nfinlayson@mks.co.uk
2023-03-14 - 2:32:44 PM GMT- IP address: 104.47.20.254

 Signer nfinlayson@mks.co.uk entered name at signing as Moore Kingston Smith llp
2023-03-14 - 2:33:24 PM GMT- IP address: 80.169.173.162

 Document e-signed by Moore Kingston Smith llp (nfinlayson@mks.co.uk)
Signature Date: 2023-03-14 - 2:33:26 PM GMT - Time Source: server- IP address: 80.169.173.162

 Agreement completed.
2023-03-14 - 2:33:26 PM GMT