



International.
Students House

International Students House

ANNUAL REPORT 2023



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 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 a supportive community in central London and experience a wealth of cultures; not only British, but also the many nationalities of their peers at International Students House.

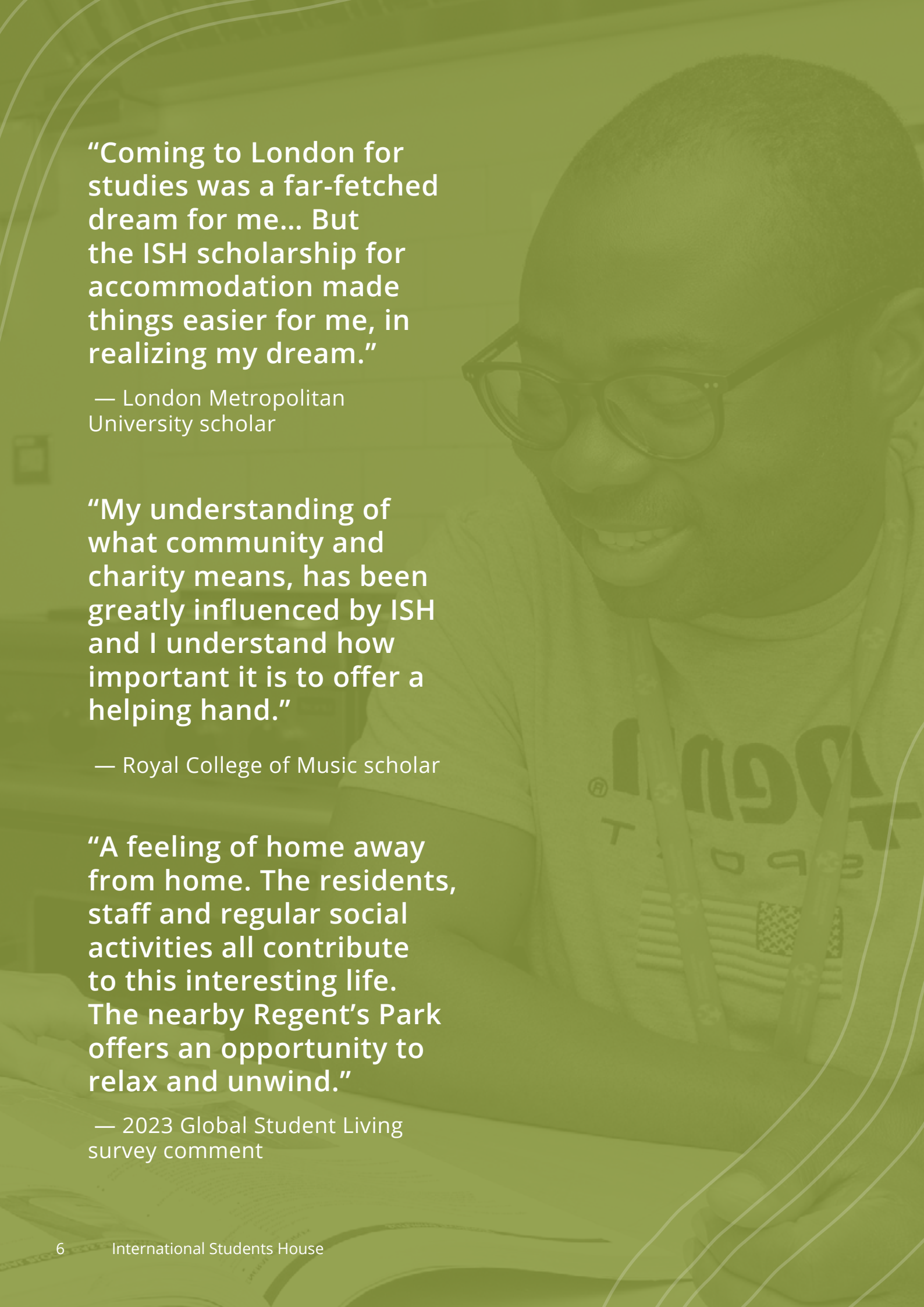
The ISH Board of Governors approved the updated Memorandum and Articles of Association of International Students House on 11 October 2023 and the Charity's vision and mission statement was updated in June 2021. The objects of the House, as restated in the updated Memorandum and Articles of Association, 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 harmony between the beneficiaries and the countries, and/or ethnic or racial groups they represent.



“Coming to London for studies was a far-fetched dream for me... But the ISH scholarship for accommodation made things easier for me, in realizing my dream.”

— London Metropolitan University scholar

“My understanding of what community and charity means, has been greatly influenced by ISH and I understand how important it is to offer a helping hand.”

— Royal College of Music scholar

“A feeling of home away from home. The residents, staff and regular social activities all contribute to this interesting life. The nearby Regent’s Park offers an opportunity to relax and unwind.”

— 2023 Global Student Living survey comment

Principal activities

Affordable accommodation

The principal activity of the House is the provision of affordable accommodation for overseas and UK students. In 2022-23 ISH was 'home away from home' for over 230 residents from around 60 different countries, including UK nationals.

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

Scholarship programme

ISH runs a scholarship programme in partnership with local universities. In this programme, the House provides free or discounted accommodation and the university partner waives or reduces their tuition fees. In 2022-23, 38 scholars of 21 different nationalities benefited from this provision.

Events and Travel Club

The House is also a social hub for students, with weekly events delivered free or at a subsidised cost to residents and members. The Events team runs the ISH Travel Club and organises a varied programme of activities such as themed suppers, fitness classes, art workshops and culture nights, as well as supporting student-led initiatives like concerts and movie nights.

Promotion of international friendship

The House has an active alumni association called Goats International. ISH is proud that so many students make lifelong friendships during their stay in the House, as well as subsequently when they became alumni.

Many Goats stay in touch with ISH, dropping in to visit or renting a room when in London, and sending us news and updates from their lives and careers. ISH communicates with alumni through a quarterly e-newsletter and an annual magazine.

There are also monthly Goats Bar Nights throughout the year, a London reunion every three to four years and we encourage local activities around the world.

Mental health support

In 2022-23, the House introduced a new referral service to offer access to professional, external counselling free of charge for any resident in need of mental health support.

This provides an alternative pathway for those who cannot readily access over-subscribed services on campus or via their GP surgery. Seven residents in total used the service and most expressed gratitude for the support, saying they had found it helpful.

This provision is now a key element of our services for residents and will continue in the coming year.

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 home countries and communities.

In partnership with 13 London universities and academic partners, the House's scholarship programme provides accommodation and tuition fee grants to overseas students, who would not otherwise have the opportunity to gain a UK qualification. ISH's contribution to this provision in 2022-23 amounted to approximately £466k (2021-22: £700k).

In addition to the ISH-funded scholars, four university partners chose to place a total of ten scholars in the House, using their own funding to cover ISH accommodation fees.

Social events and welfare support are subsidised or delivered free of charge to residents and members to ensure that cost is not a barrier to participation.

These activities enable overseas students to settle in quickly, adapt to life in the UK and make new friends.

International students are a key component of the London and UK economy. ISH offers them a warm welcome, a supportive community and affordable accommodation. The House also provides opportunities for the integration of overseas students with UK students and the chance to learn about other cultures.

In addition to supporting students from all over the world, the House also 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.

Scholars and residents volunteer to serve the food and provide entertainment, giving them an opportunity to experience British Christmas traditions and engage with our neighbours. The meal is held on a Saturday in December and is free of charge to attendees.

In December 2022, a total of 80 local elderly neighbours attended the lunch and ten residents volunteered on the day.



increasing access to UK education



creating space for life-long friendships



building international understanding



supporting integration into British life



offering new skills and experiences



supporting vulnerable people in the local community

Davis Projects for Peace

Another way in which our residents make a real difference in our world is by winning Davis Projects for Peace grants and delivering enriching projects around the world.

In 2022-23, four ISH residents were awarded a total of \$30,000 to deliver the following three grassroots projects of their own design:

Tertulias: a place to grow, share and transform your challenges into the best story

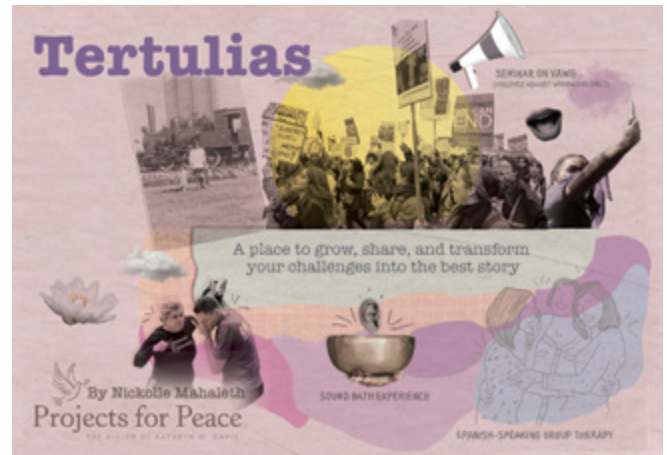
A project to support and empower Latin American women living in London, through Spanish language therapy, seminars on violence against women and girls, self-defence classes, and yoga and mindfulness sessions.

Zine-making in Tokyo's book club community

People of all backgrounds came together to participate in zine-making, which allowed them the freedom and safe space to openly share and discuss current social issues in Japan.

Digital environment as a medium for national and international peace

In Constanta, Romania, two ISH residents and siblings organised IT workshops for Romanian and ethnic minority children. This work opened a world of opportunities to them, providing lifelong skills and fostering a community that values diversity.



A graphic inviting women to join the Tertulias project's activities



Final printed copies of a zine exploring social issues in Japan



IT workshop with underserved young people in Romania

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 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 quality 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.

“ISH feels like a world in which all the world belongs, and the warmth of students, staff members, cleaners, helpers and cooks makes living and studying in London worthwhile.”

— UCL Centenary scholar

“ISH was my home when I needed a safe and peaceful home during my studies. I met different beautiful people, some of whom I am in communication with to date.”

— Windle Trust International scholar

International Students House in figures

2022-23



466k
in scholarships
distributed to students



13
academic
partners
waiving/ reducing
tuition fees




230
residents
at International
Students House



60
countries
represented
at the House





“I don’t know where I would have been without the support I received from ISH. Today, I can confidently say that I am living my best life due to the opportunity given me.”

— Westminster University scholar

“I am beyond thankful that I live in this accommodation, and I commend the team on every level of management for their work and for their efforts.”

— 2023 Global Student Living survey comment

“I made meaningful friendships, met people from different cultures, had great support throughout my stay and overall. ISH scholarship has allowed me to grow in all aspects of life.”

— Queen Mary University of London Scindia scholar

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 updated in March 2023 to reflect the challenging financial climate post-pandemic and the revised property strategy.

The priority of ISH is to maintain a financially sustainable position over the next two to three years until the new student accommodation building is up and running.

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 in March 2023 due to the competitive real estate market in central London. The search area was expanded beyond Westminster and Camden with the aim to remain within Zone 1.

This expansion allowed ISH to identify new property opportunities, all of which were assessed and appraised by the Board. The most appealing and feasible prospect was a site in Kennington Lane. This property was acquired in September 2023, an acquisition that is in line with both the property and business strategies.

ISH continues to actively look to acquire a new property or properties, in addition to the one recently acquired, 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 2023-24, 35 scholarships will be awarded in line with the charitable objectives.
- (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 the House's residential fees are competitive with central London student halls.
- (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 support our residents' mental health and wellbeing during their time at ISH.
- (vi) 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 2022-23, the House received an overall approval rating of 98%, where 98% of respondents said that their level of satisfaction with ISH was “very good”, “good” or “OK”.

This is higher than the score given to private halls in London (87%) and to university halls in London, which have just 78% satisfaction.

When asked about individual aspects of their accommodation, resident responses show that ISH outperforms other providers surveyed in the following criteria: building security, care and support, condition and quality, communication, design and visual appeal, mail handling, opportunities for social interaction, overall management, personal safety, relationships with other residents, travel time to local amenities, and value for money.

In addition, 80% of ISH residents said their accommodation had a positive impact on their wellbeing, whereas London private halls scored just 59%.

“Overall a great place to live, close by to major universities, transport, places of interest and shops. Great facilities and a really vibrant atmosphere where lasting friendships can be made.”

– 2023 Global Student Living survey comments

Global Student Living Index

In 2023, Global Student Living developed a profile for each provider, with an index score and corresponding Platinum, Gold or Silver Certification.

International Students House achieved a score of 76.7 for 2022-23 and was awarded Gold Certification, an honour shared with just four universities and 13 other private providers across the UK and Ireland.



Awards

The House was short-listed for Best Specialist Housing, UK & Ireland at the 2023 Global Student Living Awards, along with four other accommodation providers.



“They care a lot for everyone here, and ISH has become my home away from home. I feel safe here and that comforts me a lot while I am away from my home country.”

Affordability

In the 2023 Global Student Living Survey, 72% of survey respondents said ISH's value for money is "good" or "very good", compared to just 53% in London private halls and 38% in London university halls.

This is a key method through which the House monitors its affordability, alongside market research on competitor London providers.

Events and travel club

Events organised by the House were viewed extremely positively by survey respondents, 99% of whom gave the ISH social programme a positive rating.

As well as over 200 social events during the year, there were also 24 trips and excursions organised by the ISH Travel Club. These achieved a 98% satisfaction in the 2023 survey.

One participant said:

"ISH team does an excellent job at creating events where we can build community and socialise together. This has definitely been a highlight during my stay."

– 2023 Global Student Living survey comment

98%
overall
student
satisfaction
with ISH

72%
say ISH is
"good" or "very
good" **value**
for money

99%
satisfaction
with **social**
activities

204
social
events
organised

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

24
daytrips &
weekends
away organised



Residents dressed up for a Halloween Party in ISH's onsite bar, The Thirsty Scholar.

Performance and achievements cont.

Measuring the impact of scholarships

Current scholars

Every year, the Dean of Student Life conducts a mid-year monitoring exercise with current scholars 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 2022-23, was the importance of the International Students House community as a vital source of peer support:

"I made so many great friends that helped me go through my moments of hardship, the community helped me not feel alone in the country. The life of an international student is difficult but being part of such a great community is what made all the difference for me."

– Royal Academy of Music scholar

Scholars also reported that the House provides a caring and safe environment, contributing to their personal development:

"ISH has given me a safe place to be in London where I feel at home and well cared for. This of course helps me in doing better in my studies since I feel secure while in London."

– UCL Centenary Masters scholar

Former scholars

A questionnaire is also sent to former scholars. This survey was circulated in summer 2023 and asked participants to reflect on their ISH experience now that they had completed their studies and left the House.

The most frequently mentioned theme in survey comments was how ISH was a life-changing opportunity and a great benefit:

"This scholarship changed my life and allowed me to feel supported, protected and secure while studying considering that I didn't have the resources to support myself in a city like London."

– Royal Academy of Music scholar

The second most mentioned theme was the diversity of the ISH community and the enriching experience of being exposed to many other cultures:

"Living alongside individuals from all over the world exposed me to a rich tapestry of cultures, customs, and perspectives. Daily interactions, shared meals, and engaging in various activities organized by ISH deepened my appreciation and understanding of different cultures."

– London Metropolitan University scholar

"It broadened my horizons, made me comfortable moving through the world, and gave me a global mindset."

– SOAS Margaret Busby scholar

From almost 70 respondents, 73% reported that they were in a new job following their studies, with 74% confirming they now earned a higher salary than before being awarded the scholarship.

Alumni

The monthly Goats Bar Night, held in the House's onsite bar, The Thirsty Scholar, continued throughout 2022-23 and was well attended by ISH alumni. ISH's digital engagement also grew, with an average communications open rate of over 37%.

In April 2023, our alumni shared their professional experiences and career tips with current residents at a series of events.

An alumna from Belgium facilitated two workshops which focused on interviews and CV writing. This was followed by a panel session, chaired by Goats President Karan Daswani, where other alumni shared their experience and expertise. We are grateful to all who freely gave of their time and talent to support these events.

International Students House was once again shortlisted in the International Alumni of the Year category at the 2023 PIEoneer awards. The nominated alum was Astitva Jindal, former ISH scholar (2018-22) and 2022 Davis Peace Prize recipient.



Alumna Nahyd Meskini presenting at the career workshop



Alumni answer questions at a panel session



A lively evening at The Thirsty Scholar's monthly Goats Bar Night


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 20 of the 38 scholars.
- The following academic partners, who waived or reduced their tuition fees for the following number of scholars:

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

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



“I am very happy to have lived at ISH. It is an amazing place to make meaningful connections with other students and the location could not be better.”

— 2023 Global Student Living survey comment

“I am most grateful for the security that ISH provides us: comfortable housing, nourishing meals, kind staff and caring friends.”

– SOAS Ellenor Mary Anwyl scholar

“The amount of people I met doing different things and having different cultures really expanded my understanding of people in general and opened my mind to completely different points of view.”

– Royal Academy of Music scholar

Financial and investment review

Financially significant events

Acquisition of new property

Following the completion of the sale of properties on York Terrace East (YTE) in February 2020, all efforts were focused on securing a new property to replace the bed spaces and flats lost with the sale. The freehold land at 238 Kennington Lane was purchased for £19.25m on 26 September 2023.

ISH has since entered into a Development Funding Agreement with the property developer, HG Living, to develop 185-bed, purpose-built student accommodation on the site. Practical completion of the building is currently planned for 31 March 2026 ahead of the 2026-27 academic year.

The funds received from the sale of YTE were utilised to secure the freehold property. The development of the building will be debt funded through a combination of a Lombard Loan from HSBC UK and an additional loan, which is expected to be confirmed by June 2024.

There are currently further discussions ongoing with other landowners that would enable the House to further increase its student accommodation provision in future years.

Financial market instability

During 2022-23, financial markets have faced several disruptions to stability. The key factors were rising inflation, higher interest rates and geopolitical factors.

As a result, ISH's investments experienced a marginal reduction of 0.8% for the year. 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 Income for 2022-23 was £337k (2021-22: Net Operating Expenditure of £635k). The Net Loss on investment assets was £651k (2021-22: £5,386k). This gave rise to an overall net expenditure position for the year of £314k (2021-22: £6,021k).

As a result, the total value of unrestricted funds (including designated funds) fell to £80,728k (2021-22: £81,124k). The total value of restricted funds increased by £82k to £5,162k (2021-22: £5,080k) giving ISH a total reserve level of £85,890K (2021-22: £86,204k).

Improvement in performance

ISH ended the 2022-23 financial year with significant improvement on the previous year.

Income from both trading and charitable activities showed an increase in turnover from 2021-22. Conference income, together with sales and revenue from venues improved by 27% to £2,103k whilst accommodation income increased by 18% to £2,726k during the year. Room bookings have consistently remained above 98.8% over the year reflecting the high demand for bed spaces at ISH. A legacy donation of £150k received this year will support the Mary Trevelyan Hardship Fund for many years to come.

Total Income increased by 21% year on year whereas expenditure increased only by 4% to £6,913k. This has resulted in a Net Operating surplus of £337k for the year, which is 153% better than the previous year. The tangible assets increased by £19.6m mainly due to the acquisition of the new property and the current assets was £0.6m lower as a result of holding less cash at bank.

In addition to the property acquisition, £428k (2021-22: £707k) was spent on capital expenditure. The bulk of this was for an ongoing ventilation project, to upgrade electrical distribution boards and to change the boiler room pumps. This work is in line with the ongoing maintenance plan developed following the 2021-22 property survey.

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.

The investment portfolio's market value at the end of 2022-23 was £55.3m (2021-22: £74.4m). The portfolio reduction was mainly due to the draw down to fund the freehold acquisition. Investment Income received during the year was in line with expectations at £2,252k (2021-22: £2,014k).

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) increased from £7,870k to £8,045k 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.

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.

Responsible investment

ISH's investment manager, QC, provides annual reporting, as well as quarterly updates on its responsible investment activity. This includes a breakdown of voting, including votes against management over the twelve months as well as engagement activity with the underlying holdings within the portfolio. The Investment Committee discuss this in a responsible investment focused session with QC and the responsible investment team on an annual basis.

As at 30 September 2023, ISH's portfolio had a Weighted Average Carbon Intensity (WACI) of 128 tCO₂e/\$m revenue, significantly lower than that of the benchmark of 192. Holdings within the Energy industry group account for over half (52%) of the portfolio's emissions, compared to only a quarter of the benchmark's emissions.

The portfolio has lower than industry benchmark holdings in utilities (12% vs. 24%) and materials (14% vs. 35%). Within the 63% of the portfolio analysed, a relatively small proportion of the portfolio's holdings (10.6%) account for nearly three-quarters (72%) of its emissions.

Financial and investment review cont.

Reserves policy

As at 30 September 2023, the value of the restricted funds stood at £5,162k and the value of the designated funds was £44,073k.

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. The acquisition of the freehold land at 238 Kennington Lane was funded from this designated reserve.

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 the International Students Trust (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 £36,655k of general reserves, £30,644k is tied up in the Charity's fixed assets and not freely available. This leaves the level of free reserves as at 30 September 2023 at £6,011k.

The free reserves are sufficient to cover over 11 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 do so. ISH currently has designated reserves of £44,073k, which can be utilised should the need arise.

The Governors' view is that there is 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	FY23 Position £'000	FY22 Position £'000	Further Information
Funds represented by property, plant and equipment	30,644	11,063	The funds invested in tangible fixed assets are not freely available to the Charity and therefore excluded from the free reserves
Restricted scholarship reserves	5,162	5,080	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	2,883	2,790	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	1,500	1,200	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	39,690	60,204	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 to increase accommodation provision.
Free reserves	6,011	5,867	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	85,890	86,204	

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 key risks along with the strategies the Board have identified to mitigate these risks are as follows:

- **Growth strategy** - Finding alternative accommodation, following the sale of the property at York Terrace East and renewal of the property lease at Great Portland Street (GPS), is the key risk for the Charity. The acquisition of the new property helps mitigate this risk and secures the future of the House.
- **Business continuity** - The risk revolves around incidents and events that limit ISH's ability to operate normally. Regularly reviewing the emergency response procedures and the business continuity plan, as well as having a procedure for rapid restoration of business activities, are part of the risk mitigation.
- **Safeguarding** - This risk is about failures to safeguard the Charity's beneficiaries or associated vulnerable persons from abuse and harm. The main mitigating actions are: having robust policies in place with ongoing training for key personnel and embedding a community spirit in ISH's culture. This helps provide a safe environment for all.
- **Financial sustainability and reserves level** - The risk revolves around having insufficient income and reserves for ISH to achieve strategic objectives and maintain its operations. The key mitigating actions are: the constant review of the financials, costs monitoring, forward planning on an annual and three-year cycle as well as remaining within the free reserves level to ensure that operations are not disrupted for financial reasons.

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 £64,076.

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 £93,504. 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 in March 2023, considering 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.

With the acquisition of the new property, the Board of Governors plans to undertake a strategic review in March 2024 to assess the Charity's performance against the five-year business plan.

Structure, governance and management

Charity details

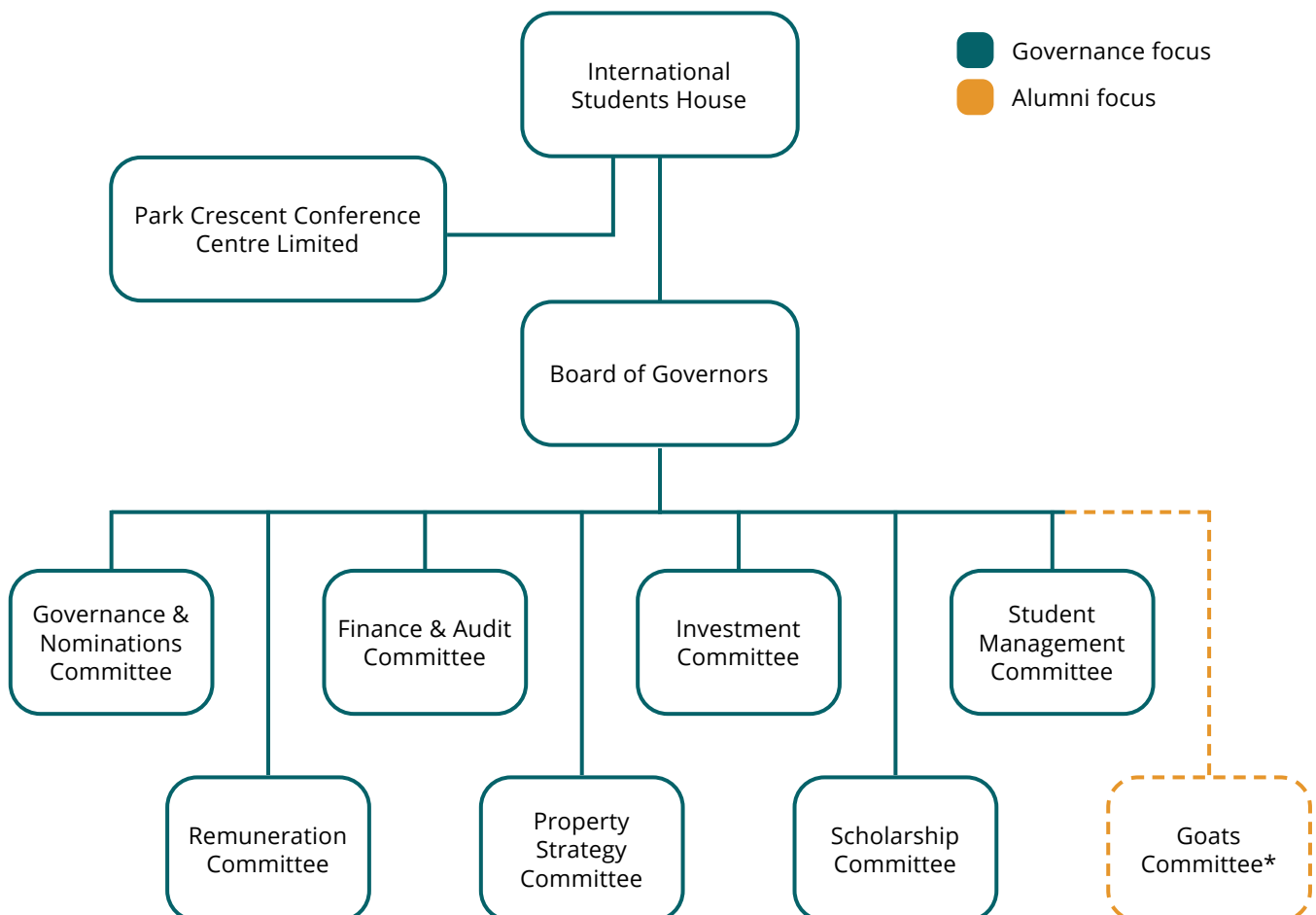
International Students House is a Registered Charity (registration number 313512) and a Company Limited by Guarantee (registration number 724811).

The Charity is governed in line with the Memorandum and Articles of Association, which was updated in October 2023.

Board of Governors

The Board of Governors is responsible for the management of the House. The Governors meet at least four times a year. There are up to 15 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 represents 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 regularly by the Governance and Nominations Committee and the Board.

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 continues to follow 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 stepped down as an ISH Governor as well as from her role as Chair of the Board in June 2023. The Governors elected Lord Nicholas Bourne as the new Chair. Three new Governors were appointed on 15 June 2023 as replacements for retiring Governors.

- New Governors: Diane Flynn; Andrea Williams and Julie Yang.
- Retiring Governors: Ian Barry; Natalia Kolotneva; Kirsty Macdonald and Ranjita Rajan.

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

There are currently ten Governors on the Board and the House is in the process of recruiting at least two more Governors to appoint in June 2024.

A search is also currently underway to appoint the next internal auditor of the House by March 2024.

Auditors

Moore Kingston Smith LLP was re-appointed as the House's auditor during the year. A benchmarking exercise was undertaken in July 2023 and following the review, Moor Kingston Smith LLP was re-appointed for a further three years.

The next review of the external auditors will be undertaken in 2025-26.

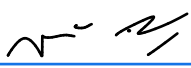
Disclosure of information to auditors

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 14 March 2024.


[Nick Bourne \(Mar 16, 2024 13:22 GMT\)](#)

Lord Nicholas Bourne

Organisation details

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

CHAIR	Lord Nicholas Bourne (Appointed 15/06/23) Gill Hammond (Retired 15/06/23)		
GOVERNORS	Azlinda Ariffin-Boromand (Vice Chair) (Appointed 15/06/23) Donal Anand-Shaw Kalyan Das John Garbutt Richard McDonald Karan Mithu Daswani Ian Barry (Retired 15/06/23)		
	Natalia Kolotneva (Retired 12/07/23) Kirsty Macdonald (Retired 25/05/23) Ranjita Rajan (Retired 25/05/23) Diane Flynn (Appointed 15/06/23) Andrea Williams (Appointed 15/06/23) Julie Yang (Appointed 15/06/23)		
PATRON	HRH The Princess Royal		
PRESIDENT	Lord Charles Fitzroy		
VICE PRESIDENTS	Dr Geoffrey Copland CBE Gill Hammond Rosamund Horwood-Smart QC	David Laing Toshihiko Ota Sir John Ritblat	Baroness Diana Warwick of Undercliffe
CHIEF EXECUTIVE	Martin Chalker		
COMPANY SECRETARY	Shami Nathoo		
HONORARY FELLOWS	Teresa Akpeki Lord Amir Bhatia Jonathan Day Mary Mackie Michael Pitts Neville Surti Major John Vaughan	Peter Anwyl Sir Nigel Carrington Ipek De Vilder Judge David Owen Jones Richard Porter Margret Swinley OBE Albert McKendry	Dato' Yeah Soo Min Ian Barry Dorothy Dalton Lord Khalid Hameed CBE Russell Peters Roy Rohatgi Andrew Tennant
REGISTERED OFFICE	1 Park Crescent, Regents Park, London, W1B 1SH		
COMPANY LIMITED BY GUARANTEE IN ENGLAND	724811		
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		
AUDITOR	Moore Kingston Smith LLP 9 Appold Street, London, EC2A 2AP		

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.

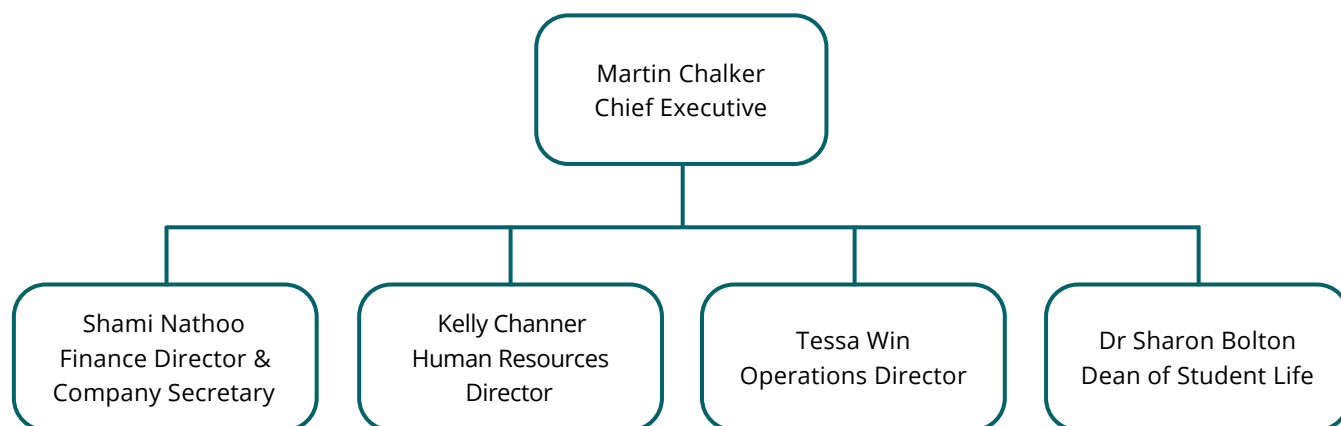
Safeguarding assets

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 2022-23 a pay award and an annual bonus was approved for all staff of as a result of the positive operational performance of the Charity.

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 £268,560 (2021-21 £73,793) in the year ending 30 September 2023. This amount will be paid as a distribution to ISH in 2024.

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 2023 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 2023 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.

Neil Finlayson

Neil Finlayson (Mar 22, 2024 14:52 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 2023)

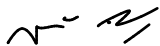
	Note	Unrestricted funds	Designated funds	Restricted funds	Total 2023	Total 2022
		£'000	£'000	£'000	£'000	£'000
INCOME & ENDOWMENTS:						
Charitable activities	3	2,726	-	-	2,726	2,308
Other trading activities	4	2,079	23	1	2,103	1,652
Donations and legacies	5	156	-	12	168	7
Investment income	6	2,012	115	126	2,253	2,019
Total incoming resources		6,973	138	139	7,250	5,986
EXPENDITURE ON:						
Raising funds	8	(2,209)	(19)	(5)	(2,233)	(2,019)
Charitable activities	9	(4,543)	(15)	(122)	(4,680)	(4,602)
Total resources expended		(6,752)	(34)	(127)	(6,913)	(6,621)
Net operating income/ (expenditure)		221	104	12	337	(635)
Net loss on investment assets	13	(144)	(476)	(31)	(651)	(5,386)
Net income/ (expenditure)		77	(372)	(19)	(314)	(6,021)
Transfer between funds in the year		19,759	(19,759)	-	-	-
Net movements in funds		19,836	(20,131)	(19)	(314)	(6,021)
FUND BALANCES:						
at 1 October 2022		17,133	64,128	4,943	86,204	92,225
at 30 September 2023		36,969	43,997	4,924	85,890	86,204


Consolidated balance sheet: as at 30 September 2023

Company registration no. 724811	Note	Consolidated		Charity	
		2023	2022	2023	2022
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12	30,644	11,063	30,644	11,063
Investments	13	56,221	75,276	56,221	75,276
		<u>86,865</u>	<u>86,339</u>	<u>86,865</u>	<u>86,339</u>
Current assets					
Stocks		20	21	20	21
Debtors	15	343	376	329	428
Cash at bank and in hand		591	1,155	555	902
		<u>954</u>	<u>1,552</u>	<u>904</u>	<u>1,351</u>
Creditors					
Amounts falling due within one year	16	(1,810)	(1,612)	(2,028)	(1,485)
Net current liabilities		<u>(856)</u>	<u>(60)</u>	<u>(1,124)</u>	<u>(134)</u>
Total assets: less current liabilities		<u>86,009</u>	<u>86,279</u>	<u>85,741</u>	<u>86,205</u>
Provisions for liabilities and charges	17	(119)	(75)	(119)	(75)
Net assets		<u>85,890</u>	<u>86,204</u>	<u>85,622</u>	<u>86,130</u>
Funds					
Unrestricted:					
- General fund	19	36,655	16,930	36,387	16,856
- Funds for major repairs (designated)	19	1,500	1,200	1,500	1,200
- Reserve for future purposes (designated)	19	39,690	60,204	39,690	60,204
- ISH Scholarship Fund (designated)	19	2,883	2,790	2,883	2,790
Restricted:					
- Total restricted funds	19	5,162	5,080	5,162	5,080
		<u>85,890</u>	<u>86,204</u>	<u>85,622</u>	<u>86,130</u>

These financial statements were approved and authorised for issue by the Governors on 14 March 2024. 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 2022-23 was £5,181k (2021-22: £4,506k) and it made a deficit of £507k (2021-22: £6,060k).

Signed on behalf of the Governors by:


 Nick Bourne (Mar 16, 2024 13:22 GMT)
 Lord Nicholas Bourne
 (Chair)


 Azlinda Ariffin Boromand (Mar 16, 2024 21:55 GMT+8)
 Azlinda Ariffin-Boromand
 (Vice Chair)

Consolidated cash flow statement: year ended 30 September 2023

	Note	2023	2022
		£'000	£'000
Cash outflows from operating activities	A	(734)	(1,513)
Cash inflows from investing activities	B	2,533	3,418
Change in cash and cash equivalents in the reporting period		1,799	1,905
Cash and cash equivalents at 1 October		4,091	2,186
Cash and cash equivalents at 30 September	C	5,890	4,091

Cash and cash equivalents at 30 September consist of:		2023	2022
		£'000	£'000
Cash component of fixed assets investments	13	5,299	2,936
Cash at bank and in hand		591	1,155
Total		5,890	4,091

Notes to the cash flow statement: year ended 30 September 2023

A. Reconciliation to changes in resources	2023	2022
	£'000	£'000
Net Income/ (expenditure) in the year	337	(635)
Investment income receivable	(2,252)	(2,014)
Interest receivable and sundry income	(1)	(5)
Net provisions charged (see note 18)	44	26
Depreciation of tangible fixed assets	906	932
Decrease in stocks	1	2
Decrease / (increase) in debtors	33	(99)
Increase in creditors	198	280
Net cash used in operating activities	(734)	(1,513)

B. Cash flows from investing activities	2023	2022
	£'000	£'000
Investment income receivable	2,252	2,014
Interest receivable and sundry income	1	5
Purchases of tangible fixed assets	(20,487)	(707)
Purchases of fixed asset investments	(9,845)	(41,357)
Less: sales of fixed asset investments	30,612	43,463
Net cash provided by investing activities	2,533	3,418

C. Analysis of cash and cash equivalents	2023	2022
	£'000	£'000
Cash component of fixed asset investments	5,299	2,936
Cash in hand and at bank	591	1,155
Total cash and cash equivalents	5,890	4,091

Notes to the accounts

1. Company information

International Students House (ISH) 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 that might cast significant doubt on the ability of the Charity to operate 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 & equipment: 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

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

Operating lease

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

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

	2023	2022
	£'000	£'000
Auditors' remuneration	31	29
Repairs and maintenance	491	487
Fuel and power	273	184
Insurances	85	71
Depreciation – owned assets	906	932
Provision for exterior redecoration	48	49
Other professional fees	547	384

3. Analysis of charitable Income

	2023	2022
	£'000	£'000
Income from accommodation:		
Gross income	3,104	2,811
Less: Bursaries and scholarships funded by ISH	(378)	(503)
	2,726	2,308

4. Analysis of other trading income

	2023	2022
	£'000	£'000
Public entertainment licence and bar revenue	1,091	951
Conference revenue	542	295
Contract revenue	67	62
Membership income	43	34
Travel Club revenue	17	16
Coffee House income	301	292
Miscellaneous	42	2
	2,103	1,652

5. Analysis of donations and legacies

	2023	2022
	£'000	£'000
Donations	18	7
Legacies	150	-
	168	7

6. Analysis of investment income

	2023	2022
	£'000	£'000
Dividends from investments	2,252	2,014
Interest receivable	1	5
	2,253	2,019

7. Exceptional gains and losses

No exceptional gains or losses occurred in 2022-23 (2021-22 - £0)

8. Expenditure on raising funds

	2023	2022
	£'000	£'000
Conference, bar and other expenses	1,862	1,607
Investment expenses	371	412
	2,233	2,019

9. Expenditure on charitable activities

	2023	2022
	£'000	£'000
Bursaries and grants payable	137	259
Other charitable purposes expenses	4,503	4,305
Governance expenses	40	38
	4,680	4,602

Notes to the accounts cont.

10. Employees

	2023	2022
Average number of persons employed by the Charity and its subsidiary:	No.	No.
Administration	26	24
Student services	14	15
Maintenance and housekeeping	16	14
	56	53
Employees' costs during the year for the Charity and its subsidiary:	£'000	£'000
Wages and salaries	2,303	2,254
Social security costs	225	227
Other pension costs (note 22)	375	302
	2,903	2,783
Remuneration of higher paid staff (senior management), excluding pension contribution but including benefits in kind:	No.	No.
£60,001 - £70,000	2	1
£70,001 - £80,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	1
£100,001 - £110,000	1	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
	6	5

The above six staff members (2022: five) received a total of £111k in employer's pension contributions in the year (2021-22: £87k). The total employee benefits of the Charity's key management personnel were £629k (2021-22: £605k).

11. Governors' emoluments

No Governor received emoluments during the year (2021-22: £nil). Four Governors claimed a total of £393 for travel expenses during the year (2021-22: £132).

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 2022	955	5,392	9,939	2,927	275	19,488
Additions	20,059	-	310	109	9	20,487
Disposals	-	-	-	(151)	(2)	(153)
At 30 September 2023	21,014	5,392	10,249	2,885	282	39,822
Depreciation:						
At 30 September 2022	317	2,270	3,778	1,796	264	8,425
Charge for the year	19	45	587	242	13	906
Disposals	-	-	-	(151)	(2)	(153)
At 30 September 2023	336	2,315	4,365	1,887	275	9,178
Net book value:						
At 30 September 2022	638	3,122	6,161	1,131	11	11,063
At 30 September 2023	20,678	3,077	5,884	998	7	30,644

Work in Progress (WIP) balance as at 30 September 2023, included in the tangible fixed assets, is £20,109k (2021-22: £45k). This balance has not been depreciated in the year. £20,059k of this balance relates to the property acquisition in Kennington Lane and depreciation of this asset will commence after completion of the building works in 2026.

Notes to the accounts cont.

13. Fixed assets investments – consolidated and charity

	2023	2023	2023	2022
	£'000	£'000	£'000	£'000
Non-cash investments:	Listed	Other	Total	Total
Market value at 1 October	71,430	910	72,340	79,832
Purchases	9,845	-	9,845	41,357
Disposals	(30,612)	-	(30,612)	(43,463)
Net investment losses	(624)	(27)	(651)	(5,386)
Market values at 30 September	50,039	883	50,922	72,340
Cash held for investments	5,299	-	5,299	2,936
Total investments	55,338	883	56,221	75,276
	Listed	Other	Total	
	£'000	£'000	£'000	
Cost at 30 September 2023	51,546	14	51,560	
Cost at 30 September 2022	69,583	14	69,597	

The portfolio of the listed investments at 30 September are as follows:

Investments categories	2023	2022
	£'000	£'000
Fixed interest – United Kingdom	5,099	5,534
Equities – United Kingdom	4,123	5,283
Equities – North America	19,065	24,479
Equities – Europe (Ex. U.K)	4,830	5,696
Equities – Japan	1,225	1,687
Equities – Asia Pacific (Ex. Japan)	1,633	2,147
Equities - Emerging markets	1,318	2,298
Equities – global	1,014	2,123
Infrastructure	3,523	5,721
Commercial Property	6,558	13,555
Commodities	1,024	1,598
Private Equity	627	1,309
Investments total	50,039	71,430
Cash products	5,299	2,936
Total at 30 September	55,338	74,366

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	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade debtors	60	142	46	108
Amounts owed by connected trusts				
- Toyota-Shi Trevelyan Trust	2	16	2	16
Amount owed by subsidiary	-	-	-	86
Other debtors	84	6	84	6
Prepayments and accrued income	197	212	197	212
Closing balance at 30 September	343	376	329	428
Provision for doubtful debts	Consolidated		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Opening balance	6	6	6	6
Write-offs from provision	(2)	-	(2)	-
Closing balance at 30 September	4	6	4	6

As at 30 September 2023, there was a debt of £2k (2021-22: £16k) owed by ISH by the Toyota-Shi Trevelyan Trust. This debt will be settled by a transfer of investment assets to the value of £2k in April 2024.

Park Crescent Conference Centre Limited (PCCC Ltd.) is a trading subsidiary of ISH. PCCC Ltd ended the financial year with a surplus of £269k (2021-22: £74k) and the profit will be paid as a distribution to ISH in 2023-24.

Notes to the accounts cont.

16. Creditors: amounts falling due within one year

	Consolidated		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade creditors	619	305	582	277
Amount owed to subsidiary	-	-	340	-
Other taxation and social security	56	79	55	79
Other creditors	393	383	388	356
Accruals and deferred income	742	845	663	773
Closing balance at 30 September	1,810	1,612	2,028	1,485

17. Provisions for liabilities and charges

	Consolidated and Charity	
	2023	2022
	£'000	£'000
Opening balance at 1 October	75	49
Provided during the year	48	49
Expenditure incurred during the year	(4)	(23)
Closing balance at 30 September	119	75

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	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Opening balance at 1 October	845	559	773	558
Deferred income brought to account	(746)	(484)	(674)	(483)
Accrued expenditure paid out	(99)	(75)	(99)	(75)
Income received in year and deferred	692	746	613	674
Expenditure accrued at year end	50	99	50	99
Closing balance at 30 September	742	845	663	773

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 2023 are represented by:	General fund (unrestricted)	Designated funds	Restricted funds	Total funds
	£'000	£'000	£'000	£'000
Consolidated assets				
Tangible fixed assets	30,643	-	-	30,643
Current assets and investments	8,240	43,773	5,162	57,175
Current liabilities	(1,809)	-	-	(1,809)
Provision for liabilities and charges	(119)	-	-	(119)
Movement in reserves	(300)	300	-	-
Total net assets	36,655	44,073	5,162	85,890

	Balance 1/10/22	Income	Expenditure	Gains/ losses	Transfer between funds	Balance 30/09/23
	£'000	£'000	£'000	£'000	£'000	£'000
Consolidated funds						
General fund (unrestricted)	16,930	6,829	(6,723)	(140)	19,759	36,655
Funds for major repairs (designated)	1,200	-	-	-	300	1,500
Reserve for future purposes (designated)	60,204	-	-	(455)	(20,059)	39,690
ISH Scholarship Fund (designated)	2,790	133	(19)	(21)	-	2,883
International Students Trust Fund (restricted)	4,226	100	(95)	(29)	-	4,202
Mary Trevelyan Fund (restricted)	289	158	(23)	(2)	-	422
William Ross Murray Scholarship (restricted)	89	1	-	(1)	-	89
ISH African Students Bursary (restricted)	313	13	(27)	(2)	-	297
Tara Nirula Arts Scholarship (restricted)	85	4	(13)	(1)	-	75
Ellenor Mary Anwyl Scholarship (restricted)	66	-	(13)	-	-	53
Wahid Butt Scholarship (restricted)	15	-	-	-	-	15
Rose Fung Memorial Scholarship (restricted)	(12)	12	-	-	-	-
Goats Indian Scholarship Fund (restricted)	9	-	-	-	-	9
Total funds	86,204	7,250	(6,913)	(651)	-	85,890

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 2022-23 this fund received £88k from International Students Trust restricted fund and expended an additional £137k on academic scholarships for students from developing countries.

The International Students Trust Fund

The IST Fund is a restricted fund which provide 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 is used to support students in unexpected hardship during their study period at ISH.

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).

The Goats Indian Scholarship Fund

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

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

Fund balances as at 30 September 23 are represented by:	General fund (unrestricted)	Designated funds	Restricted funds	Total funds
	£'000	£'000	£'000	£'000
Charity assets				
Tangible fixed assets	30,643	-	-	30,643
Current assets and investments	8,191	43,773	5,162	57,126
Current liabilities	(2,028)	-	-	(2,028)
Provision for liabilities and charges	(119)	-	-	(119)
Movement in reserves	(300)	300	-	-
Total net assets	36,387	44,073	5,162	85,622

	Balance 1/10/22	Income	Expenditure	Gains/ losses	Transfer between funds	Balance 30/09/23
Charity funds	£'000	£'000	£'000	£'000	£'000	£'000
General fund (unrestricted)	16,856	4,984	(5,072)	(140)	19,759	36,387
Funds for Major Repairs (designated)	1,200	-	-	-	300	1,500
Reserve for Future Purposes (designated)	60,204	-	-	(455)	(20,059)	39,690
ISH Scholarship Fund (designated)	2,790	133	(19)	(21)	-	2,883
International Students Trust Fund (restricted)	4,226	100	(95)	(29)	-	4,202
Mary Trevelyan Fund (restricted)	289	159	(23)	(2)	-	423
William Ross Murray Scholarship (restricted)	89	1	-	(1)	-	89
ISH African Students Bursary (restricted)	313	13	(28)	(2)	-	296
Tara Nirula Arts Scholarship (restricted)	85	4	(13)	(1)	-	75
Ellenor Mary Anwyl Scholarship (restricted)	66	-	(13)	-	-	53
Wahid Butt Scholarship (restricted)	15	-	-	-	-	15
Rose Fung Memorial Scholarship (restricted)	(12)	12	-	-	-	-
Goats Indian Scholarship Fund (restricted)	9	-	-	-	-	9
Total funds	86,130	5,406	(5,263)	(651)	-	85,622

A description of each of the Charity's restricted funds is provided on page 50.

Notes to the accounts cont.

20. Total resources expended

2023	Grants	Other direct costs	Support costs	Total 2023
	£'000	£'000	£'000	£'000
Raising funds	-	1,321	912	2,233
Charitable activities	60	1,774	2,846	4,680
Total resources expended	60	3,095	3,758	6,913

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

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:

Nature of cost	Allocation basis	2023	2022
		£'000	£'000
Staff payroll and on costs	Estimated time spent	1,286	1,225
Premises and utilities	Floor area	1,574	1,521
Administration and other overheads	Sales income	898	767
Total support costs		3,758	3,513

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 2023 was £65,691 (2021-22: £63,307). It is estimated that International Students House's liability under this programme is £64,076 (2021-22: £60,102). This amount has been reflected in the financial statements above under other creditors.

The most up to date 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. The latest actuarial valuation was undertaken as at 31 March 2023 and the report will be available in June 2024.

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 reviewed again at SAUL's next formal valuation in 2023 with the report available in June 2024.

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 agreed to increase the ongoing Employers' contributions from a rate of 19% of CARE Salaries to 21% on 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 £93,504 as at 30 September 2023. 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 2023 were as follows:

	2023	2022
Profit and loss account	£	£
Turnover	2,143,164	1,612,678
Costs of sales	(302,938)	(297,017)
Gross profit	1,840,226	1,315,661
Other expenses	(1,571,666)	(1,241,868)
Profit/ (loss) for the year	268,560	73,793
Balance sheet		
Net assets	268,561	73,794
Share capital	1	1
Retained profit/ (loss)	268,560	73,793
Total shareholders' funds	268,561	73,794

During the year Park Crescent Conference Limited made a surplus of £268,560 (2021-22: £73,793); this amount will be paid as a distribution in 2023-24 to ISH.

23. Related parties

ISH is connected with two other charities; the Toyota-Shi Trevelyan Trust of which Lord Nicholas Bourne 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 (2021-22: 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 2023, ISH had outstanding commitments for future minimum lease payments under non-cancellable operating lease.

	2023	2022
	£	£
Office equipment		
Due within one year	54,883	20,040
Due between two to five years	134,990	22,502
	189,873	42,543

25. Capital commitments

At 30 September 2023, the group had capital commitments for fixtures and fittings and equipment (Ventilation upgrade and validation upgrades) of £421k (2021-22: £549k).

26. Taxation

ISH 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.

27. Future commitments

ISH has entered into a Development Funding Agreement with HGL Kennington Limited (Company Registration no. 15003450) in relation to the development of a student accommodation property at 238 Kennington Lane, London with a maximum commitment of £34m for the project. The target completion date of the property is June 2026. A charge on the Charity's investment portfolio was taken by HSBC UK on 22 January 2024 for the provision of a Lombard Loan to fund the development of the property.



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ANNUAL REPORT 2023











ISH Annual Report 2022-23 Approved by the Board 14.03.24

Final Audit Report

2024-03-22

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