

International Students Club (Church of England) Ltd

Charity Registration No: 243606

Company Registration No. 846155 (England and Wales)

Annual Report and Financial Statements

30 September 2019

INTERNATIONAL STUDENTS CLUB (CHURCH OF ENGLAND)

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Legal and Administrative Information

For the year ended 30 September 2019

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INTERNATIONAL STUDENTS CLUB (CHURCH OF ENGLAND) LTD

Report of the Trustees For the year ended 30 September 2019

The Trustees, who are also Directors of International Students Club (Church of England) Ltd ("the Charity"), submit their annual report and the financial statements of the Charity for the year ended 30 September 2019. The financial statements have been prepared in the format prescribed by the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP2015 (FRS102)) and the Financial Reporting Standard 102. The legal and administrative information set out earlier in this document forms part of this report. This report also constitutes a directors' report required by section 415 of the Companies Act 2006.

1. Structure, Governance & Management

1.1. Trustees

The Trustees (collectively known as the Executive Committee) meet 3 times a year to discuss a full range of matters relating to strategic planning and development, governance and finance. A sub-committee of Trustees, known as the Management Committee, is responsible under the Executive Committee for the running of the residence and meets 4-6 times per year. Responsibility for the day-to-day running of the residence is delegated to the full-time warden.

New Trustees are recruited informally, as and when required, on the basis of their business or related experience and their interest in the work of the charity. Nominations are proposed to the Executive Committee and formally appointed if approved.

The induction process for any individual newly-appointed to the board of Trustees comprises an initial meeting with at least two of the Trustees (whenever possible one of these two Trustees being the Management Committee Chair) and receipt of copies of:

- The Memorandum and Articles of Association
- The most recent financial statements
- The Charity Commission's guidance 'The Essential Trustee'.

1.2 Risk Management

The Trustees acknowledge that they have a responsibility for the identification and proper management of risks faced by the Charity in achieving its primary aims. The Trustees have therefore assessed the major risks to which the Charity is exposed, in particular those relating to the specific operational areas of the Charity, its investments and its finances. The Trustees believe that, by monitoring reserve levels, by ensuring that controls exist over key financial systems, and by examining the operational risks faced by The Charity, they have established effective systems and procedures to mitigate those risks.

2. Activities & Strategies

In preparing this report, the Trustees have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and have sought to demonstrate that it provides identifiable benefits which relate directly to its aims as stated in its Memorandum and Articles of Association and which outweigh any potential detriment or harm. Further, the benefits are publicly available to all and are not in any way restricted to those able to pay. Any private benefits to Trustees and members of the Charity are incidental.

William Temple House aims to provide students from all parts of the world with a secure, welcoming home at an affordable cost. There is accommodation for 50 residents mainly in single rooms, with six shared rooms and a one bedroom flat provided at substantial reduction in cost. William Temple House is one of the few places now able to offer affordable student accommodation in the Borough of Kensington and Chelsea, an area with a particularly large concentration of leading Higher Education institutions.

Finances permitting, the trustees propose to allocate at least 2.5% of annual fee income plus 10% of the annual budget surplus as a means-tested bursary fund, available to new and existing residents. Student bursaries are awarded in the form of a rent rebate for the duration of an academic year. Four local colleges nominate candidates and any extra reserve is used as a hardship fund for current residents.

INTERNATIONAL STUDENTS CLUB (CHURCH OF ENGLAND) LTD

Report of the Trustees For the year ended 30 September 2019

Students from all faith and non-faith backgrounds are welcome and intake is consciously monitored to ensure a diverse community of students from around the world, with a wide range of academic disciplines and institutions represented.

Students are encouraged to mix socially through activities arranged within the house and catering facilities are communal. Regular meetings are held with the residents and every endeavour is made to meet any concerns they may have

3. Achievements and Performance

During the academic year occupancy was at the maximum capacity of 50 residents, reduced to an average three quarters during the summer months June to September. Academic disciplines of residents were diverse as ever, with the arts, humanities, science and engineering represented by more than a dozen different colleges and 29 nationalities.

Accommodation fees were increased by 2.5% and this, combined with slightly higher occupancy, due to a moratorium on room maintenance, resulted in an increase of approximately £7,000 in fees income. Following on from a year of significant maintenance expenditure this was reduced to below £30,000 during this year

The trustees were again pleased to award a total of £10,600 in means tested bursary funding and more than £6,500 was spent directly on funding activities for residents throughout the year.

Number of residents (average)

2019	2018
47	46

The Trustees wish to extend their thanks for the considerable efforts of the staff throughout the year.

4. Financial Review

4.1 Funding

The principal sources of funding are accommodation fees from residents and investment income.

The trustees aim to provide accommodation at a low price point, with monthly fees for single rooms charged at £628 per month and shared rooms from £444 per month to £292 for the cheapest (quad) room.

4.2 Financial Activities and Financial Position

The Statement of Financial Activities and Balance Sheet can be found on pages 8 and 9 respectively. The Trust's reserves increased by £93,218 during the year (2018: decreased by £33,501). The balance sheet shows total net assets of £488,779 (2018: £395,561).

During 2019 the trustees reviewed and revised the accounting policy on tangible fixed assets and the fixed asset register in line with the policy. This resulted in the establishment of new clearer categories of fixed assets together with a reorganisation of accumulated cost and depreciation. All of these revisions have all been accounted for in 2019.

The company owns the freehold property 29-31 Trebovir Road, Earl's Court. This is a functional property and provides the hostel accommodation and an office for the warden and staff. The property, which is stated at cost of £52,739, is not depreciated because the Trustees are confident that its value is in excess of its stated cost.

A significant element of maintenance expenditure is elective, and the extent of annual maintenance expenditure is closely controlled to ensure that it falls within the constraints of the annual budget. Following a year of significant maintenance expenditure, both planned and unplanned, expenditure during 2018/19 was deliberately reduced to a minimum.

INTERNATIONAL STUDENTS CLUB (CHURCH OF ENGLAND) LTD

Report of the Trustees For the year ended 30 September 2019

4.3 Reserves Policy

The Trustees have examined the requirements for free reserves, which are those unrestricted funds not invested in tangible fixed assets. The Trustees consider that, given the nature of the Charity's work, free reserves should be equivalent to approximately 6 months' routine general fund expenditure, plus committed future expenditure on other projects where funds permit. The Trustees are of the opinion that this provides sufficient flexibility to cover temporary shortfalls in incoming resources and will allow the Charity to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

At 30 September 2019 the Charity had net free reserves of £420,863 (2018: £357,001) as follows:

	2019 £	2018 £
Total reserves	488,779	395,561
Less: fixed assets used for the continuing work of the Charity	(67,916)	(38,560)
Free reserves	420,863	357,001
Free reserves requirement:		
6 month's budgeted routine expenditure (excluding building maintenance)	120,000	120,000
Planned building maintenance	55,000	88,000
Free reserves	175,000	208,000

The trustees are aware that free reserves are currently in excess of the free reserves requirement and have been actively seeking ways in which the two figures might be more closely aligned. Future plans include working with another charity to offer full bursaries to refugee students/academics, as well as carrying out extensive improvement and modernisation works to the building and exploring ways to reduce our carbon footprint.

4.4 Investment Policy

The assets of the Charity (excluding working capital) are invested in a diversified portfolio to achieve long term growth in both capital and income in order to fund charitable expenditure. The Charity employs Smith & Williamson as investment managers. For details of investments held see note 7.

5. Plans for Future Periods

The long-term vision of the Charity is to continue to provide accommodation at the lowest price-point possible, whilst expanding the funding of students in financial need through the bursary scheme. A planned addition to the bursary partnering will add £8,000 to the existing bursary funding. Running costs and the gradual modernization of the interior of William Temple House will continue to account for a significant proportion of planned annual expenditure. More immediately there is significant repair work required to the roof, which will require at least £90,000 of additional expenditure, depending upon the scope of the works. Measures to bring the operation of the Charity to a carbon-neutral position are being explored and efforts to extend the pool of potential applicants through networking are also being made.

6. Responsibilities of Trustees for the Financial Statements

The Trustees are responsible for preparing the report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its financial activities for that period.

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Report of the Trustees

For the year ended 30 September 2019

In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, 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 activities of the charity will continue.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the Charities Act 2011. Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

7. Approval

The report of the Trustees was approved by the Trustees on 18th March 2020 and signed on their behalf by:



Miss Valeria Martinelli
Treasurer

INTERNATIONAL STUDENTS CLUB (CHURCH OF ENGLAND) LTD

Report of the Independent Examiner to the Trustees of International Students Club (Church of England)

I report on the accounts of the Charity for the year ended 30 September 2019, which are set out on pages 8 to 16.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act
- to state whether particular matters have come to my attention

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



John Helm ACA
17 Heathville Road, London N19 3AL

18 March 2020

INTERNATIONAL STUDENTS CLUB (CHURCH OF ENGLAND) LTD

Statement of Financial Activities For the year ended 30 September 2019

	Note	2019 £	2018 £
Income from:			
Donations and legacies	2	-	580
Charitable activities		301,323	286,237
Other trading activities			
Investments		3,221	1,532
Other		-	8,300
Total Income		304,544	296,649
Expenditure on:			
Raising funds	3	1,652	1,198
Charitable activities		224,566	328,952
Other		-	-
Total Expenditure		226,218	330,150
Net gains/(losses) on investments		14,892	3,599
Net income/(expenditure) before tax	4	93,218	(29,902)
Tax payable	5	-	-
Net income/(expenditure) after tax		93,218	(29,902)
Transfers between funds		-	-
Other recognised gains and losses		-	-
Net movement in funds		93,218	(29,902)
Total funds brought forward		395,561	425,463
Total funds carried forward		488,779	395,561

INTERNATIONAL STUDENTS CLUB (CHURCH OF ENGLAND)

Balance Sheet

For the year ended 30 September 2019

	Note	2019 £	2018 £
Fixed Assets			
Tangible Assets	6	67,916	38,650
Investments	7	267,198	264,281
		335,114	302,931
Current Assets			
Debtors	8	32,933	26,925
Cash at Bank and in Hand		159,072	121,811
		192,005	148,736
Creditors - Amounts Falling Due Within One Year	9	38,340	56,106
Net Current Assets		153,665	92,630
Net Assets		488,779	395,561
Represented By:			
Unrestricted Income Funds		488,779	395,561

The financial statements were approved by the Trustees on 18th March 2020 and signed on their behalf by:



Valeria Martinelli
Treasurer

INTERNATIONAL STUDENTS CLUB (CHURCH OF ENGLAND) LTD

Notes to the Financial Statements For the year ended 30 September 2019

I. Accounting Policies

International Students Club (Church of England) Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is 29/31 Trebovir Road, London, SW5 9NQ.

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

Basis of accounting

The financial statements have been prepared under the Companies Act 2006, the Charities Act 2011 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements are drawn up on the historical cost basis of accounting, modified to include the investments at fair value.

The International Students Club has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The Charity meets the definition of a public benefit entity under FRS 102.

Going Concern

There are no material uncertainties about the charity's ability to continue as a going concern and accordingly the accounts have been drawn up on a going concern basis.

Income recognition

Voluntary income and donations (including legacies) are accounted for once the Charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Income from the recovery of tax on gift aided donations is accounted for in the period in which the relevant tax refund is received.

Fee income is recognised on a receivable basis.

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

Expenditure recognition

Expenditure is accrued as soon as a liability is considered probable, and the amount of obligation can be measured reliably. Longer term liabilities are discounted to present value. The Charity is not registered for VAT and accordingly expenditure includes VAT where appropriate.

Expenditure included in Raising Funds includes amounts incurred in obtaining grants and other donations.

Charitable expenditure includes those costs in fulfilling the Charity's principal objects, as outlined in the Report of the Trustees. Charitable expenditure includes governance costs and an apportionment of support costs. Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to the independent examination and legal fees.

Rentals under operating leases are charged as incurred over the term of the lease.

Taxation

As a charity, the Trust is exempt from tax on income and gains falling within the provisions of the Corporation Taxes Act 2010 or the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen on the Trust.

INTERNATIONAL STUDENTS CLUB (CHURCH OF ENGLAND) LTD

Notes to the Financial Statements For the year ended 30 September 2019

1. Accounting Policies (continued)

Tangible Fixed Assets

Tangible fixed assets are accounted for as follows:

- **Freehold property.** The freehold property is stated at cost. Expenditure incurred on maintaining the property to modern standards to enable its continued use as student accommodation, its intended purpose, is expensed; expenditure incurred on improvements to the property are capitalised. Freehold property is not depreciated where the estimated residual value is considered to be the same or higher than the carrying value of the property in the accounts.
- **Office furniture & equipment.** Office equipment, with a cost of £1,000 or more, is capitalised. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life which has been estimated as follows:

Office equipment	10 years
Furniture	7 years
- **House furniture & appliances.** Utility equipment (such as furniture, white goods etc), with a cost of £1,000 or more, is capitalised. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life which has been estimated as four to seven years.

Kitchen appliances	5 years
Furniture	7 years

Fixed asset investments

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

Debtors

Debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

INTERNATIONAL STUDENTS CLUB (CHURCH OF ENGLAND) LTD

Notes to the Financial Statements For the year ended 30 September 2019

2. Income

	2019 £	2018 £
Voluntary income		
Donations & gifts	-	580
Income tax reclaimed	-	-
	<u>0</u>	<u>580</u>
Charitable activities		
Fee income (net credit for duties performed by residents)	301,323	294,537
Investment income		
Dividends	2,487	1,046
Interest receivable	734	486
	<u>3,221</u>	<u>1,532</u>
	<u>304,544</u>	<u>296,649</u>

3. Expenditure

3a. Cost of raising funds

	2019 £	2018 £
Investment management fees	<u>1,652</u>	<u>1,198</u>

3b. Charitable activities

	2019 £	2018 £
Staff costs (see note below)	123,170	99,341
Staff training	1,923	1,313
Depreciation: current year charge (see note 6)	3,168	9,495
Depreciation: net of revisions (see note 6)	(30,805)	-
Student bursaries	10,676	12,307
Bad debts	-	106
Resident activities	5,456	6,571
Administration	4,928	5,187
Property expenses	69,675	64,557
Amenities	2,439	7,641
Fixtures & fittings	7,560	19,274
Repairs and maintenance	23,546	99,581
Governance	2,830	3,579
	<u>224,566</u>	<u>328,952</u>

INTERNATIONAL STUDENTS CLUB (CHURCH OF ENGLAND) LTD

Notes to the Financial Statements For the year ended 30 September 2019

3. Expenditure (continued)

3b. Charitable activities (continued)

Included within expenditure are the following costs of employed individuals:

	2019 £	2018 £
Wages and salaries	108,928	88,468
Social security costs	9,988	8,583
Employer Allowance	(3,000)	(3,000)
Pension contributions	7,254	5,290
	123,170	99,341
Of which: salaries, social security costs and pension contributions paid in respect of key management personnel	57,151	56,408

The number of employed individuals during the year was 4 (2018: 3). No employee received payments in excess of £60,000 during the year.

4. Net income/(expenditure) before tax

	Total 2019 £	Total 2018 £
This is stated after charging:		
Independent Examiner's remuneration	1,884	3,220
Depreciation – owned assets, current year charge (see note 6)	3,168	9,495
Depreciation – owned assets, net of revisions (see note 6)	(30,805)	-

5. Tax Payable

As a charity, International Students Club (Church of England) Ltd is exempt from tax on income and gains falling within the provisions of the Corporation Taxes Act 2010 or the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen on the Charity.

INTERNATIONAL STUDENTS CLUB (CHURCH OF ENGLAND) LTD

Notes to the Financial Statements For the year ended 30 September 2019

6. Tangible Fixed Assets

	Freehold land & buildings £	Household furniture & appliances £	Office Furniture & equipment £	Total £
Cost				
At 1 October 2018	52,739	646,559	-	699,298
Revisions (see note below)	-	(629,230)	2,659	(626,571)
Additions	-	-	1,629	1,629
Disposals	-	-	-	-
At 30 September 2019	52,739	17,329	4,288	74,356
Depreciation				
At 1 October 2018	37,635	623,013	-	660,648
Revisions (see note below)	(37,635)	(620,273)	532	(657,376)
Charge for year	-	2,739	429	3,168
Disposals	-	-	-	-
At 30 September 2019	0	5,479	961	6,440
Net Book Value				
At 30 September 2019	52,739	11,850	3,327	67,916
At 30 September 2018	15,104	23,546	0	38,650

All of the fixed assets are used for charitable purposes.

During 2018/19 the trustees reviewed and revised the accounting policy on tangible fixed assets and accordingly revised the fixed asset register in line with the policy. This resulted in the establishment of new clearer categories of fixed assets together with a reorganisation of accumulated cost and depreciation. In addition, the trustees have taken the opportunity to de-recognise items that had been replaced or had nil net book value and these have also been accounted for within the revisions. All of these revisions, which have resulted in a net credit of £30,805 to the income and expenditure account, have been accounted for in 2018/19.

INTERNATIONAL STUDENTS CLUB (CHURCH OF ENGLAND) LTD

Notes to the Financial Statements For the year ended 30 September 2019

7. Fixed Asset Investments

	2019 £	2018 £
Market Value		
At 1 October	264,281	124,089
Additions at cost	11,750	136,595
Sale proceeds	(23,725)	-
Net gain/(loss) on revaluation	14,892	3,597
At 30 September	267,198	264,281
Market value represented by investments in:		
Bonds/Fixed interest	89,690	84,900
Diversified Collective Investments	177,508	179,381
At 30 September	267,198	264,281

The investments are held in the name of the International Students Club Ltd.

8. Debtors

	2019 £	2018 £
Prepayments and accrued income	2,416	3,050
Fees receivable	3,226	10,468
Investment manager – uninvested balances	27,291	13,407
	32,933	26,925

9. Creditors – Amounts Falling Due Within One Year

	2019 £	2018 £
Other creditors including taxation, workplace pensions and social security	866	500
Accruals and deferred income	2,810	31,031
Trade creditors	2,814	3,230
Residents' balances	10,280	-
Residents' deposits held	21,570	21,345
	38,340	56,106

10. Related Party Transactions

David Cobb, a trustee, is a director of Smith & Williamson, the charity's investment manager. During the year Smith & Williamson charged the charity £1,652 (2018: £1,198) in management fees.

The trustees donated £nil (2018 £nil).