

UNIVERSITY OF MANCHESTER INTERNATIONAL SOCIETY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

University of Manchester International Society

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University of Manchester International Society

Trustees and their advisers

Principal Office	International Society c/o UMSU Oxford Road Manchester M13 9PR
Patron	Norman K. Stoller CBE KStJ DL
Chair of Trustees	Peter Hyett CPFA
Trustees	Dame Alexandra V. Burslem DBE JP DL FRSA Sir Netar Mallick Anthony Landes (resigned 2 nd December 2019) Professor Wen Zhou Li (leave of absence) Angela Murphy OBE (resigned 2 nd December 2019)
Honorary Treasurer	Vacant
Honorary Secretary	Ms Emma Lewis
Director	Mr Alexander D'Netto
Registered Charity No:	521248
Bankers	NatWest Bank Manchester City Centre Branch 19 Market Street Manchester M1 1WR
Independent Examiners	Azets Alpha House 4 Greek Street Stockport Cheshire SK3 8AB

University of Manchester International Society

Trustees Annual Report for the year ended 31 July 2020

Introduction

The Trustees present their report and accounts for the year ended 31 July 2020

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their account in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Structure, Governance and Management

The charity's governing document was a constitution adopted on 21 November 1968 amended on 19 May 1969. The body responsible for the governance and management of the charity consistent with charity law is the Trustees who also absorb the responsibilities of the Council as identified in the Society's constitution. The Trustees did not meet face to face during the year due to the prevailing pandemic. They had by circulation one virtual meeting to approve the 2018/19 accounts and received regular updates from the Chair and the Director on governance and management matters. The Trustees continued to be the sole decision making body for the charity, agreeing and delegating actions to the Director through those meetings.

The Trustees are responsible for the appointment of new trustees having given due consideration to any areas of specialist skill and expertise or personal competences appropriate to complement those already available. The Chair of Trustees oversees the induction of new trustees into the workings of the charity. Historically the Society has benefited from representatives of the sponsoring Universities on its Trustee body but in recent times this has become more difficult for the Universities to commit to. The Trustees continued to explore the best way to secure ongoing dialogue with the Universities in order to ensure there are complementary strategies to support the charitable activities of the Society. Since these financial statements have been completed the University of Manchester has nominated two trustees and the University of Manchester's Students' Union one trustee. Two of the current trustees will step down in January 2021 when these three new trustees will be appointed.

In order to have access to professional support and advice the Trustees appointed the Honorary Secretary Emma Lewis, owner of EL Law LLP. Under this arrangement the services of the Honorary Secretary were on pro-bono up to a threshold of 36 hours per annum, any costs for services above this threshold are recognised as governance costs of the charity.

Normally the Director, who is the most senior employee of the Society and the Honorary Treasurer attend all meetings of the Trustees and are responsible for providing the Trustees with appropriate up to date information and advice on matters affecting the charity such that the Trustees are able to exercise their legal responsibilities. The Honorary Secretary is available for advice if needed. The Trustees delegate executive power to the Director for the activities and day to day operation of the Society and to the Honorary Treasurer for the oversight and financial governance of the assets and liabilities for which the Trustees are responsible.

Related Entities

The International Society has close associations with Manchester International Society Travel Limited (MIST) and Small World Café (Gtr. Manchester) Limited (SWC), both companies are limited by guarantee. SWC has been dormant since 1st August 2019. MIST trades from the premises occupied by the International Society and provides benefits to individual members of the International Society.

The Trustees, on an individual basis, are the members of both these limited by guarantee companies, MIST and SWC respectively, and this has strengthened the governance relationship between the Charity and the companies. This was viewed by the Trustees as important given that the companies traded from assets under the control of the charity and the companies provide services directly to many of the charity's beneficiaries. The charity's legal status prevents it from acting in the capacity of member for these companies.

University of Manchester International Society

Trustees Annual Report for the year ended 31 July 2020 (continued)

Risk Assessment

The Trustees can confirm that risk assessment is a natural part of their decision making process. The Trustees have identified an ongoing need to modernise the charity's administrative processes, particularly financial related ones, in order to make sure internal controls are as effective as possible and work with the auditors to make sure any matters arising are addressed.

Aims and Objectives of the charity

The aims and objectives of the Society are:

- To promote international friendship and celebrate diversity and through this contribute to international relations and community cohesion
- To provide international students with a home away from home during their time in Greater Manchester that helps provide a sense of belonging and enhances their wellbeing
- To provide the best possible opportunities for international students to experience British life through trips, classes, events and community projects
- To give British students the chance to meet people from all over the world and internationalise their student experience
- To be socially responsible and contribute to the local community through being open to all and developing community education projects

Activities of the Charity

The charity's objectives place a clear civic responsibility on it and make it well placed to be a vehicle to encourage civic co-operation and collaboration and for the receipt of grant and philanthropic funds to meet such responsibilities. Since 1st August 2019, the Society has operated from the University of Manchester's Students' Union building having had to vacate its previous location by the University of Manchester.

The charity encourages potential student beneficiaries and any other individuals interested in the Society's activities to subscribe to the charity through an individual nominal membership fee, though on occasions these fees may be paid for on behalf of specific groups of beneficiaries by a sponsoring organisation. Membership entitles those individuals access to involvement in a number of community integration initiatives undertaken by the charity as well as access to a range of welfare advice and support services. The Society's close association with MIST means that some community integration opportunities and empathetic support are enjoyed by members as a result of members' involvement with those organisations.

The charity exercises its civic educational objectives in part through the organisation of language classes which are delivered by a significant number of volunteers. The charity makes a nominal charge to attend these classes. The Hospitality Scheme for Society members relies on individual members of the public, often recruited through a number of civic organisations, hosting mainly international members of the charity and this provides a mutual learning opportunity of culture and values. The scheme has led to many long term international friendships.

Finally, the charity actively seeks grants and donations to support its work and has benefited from a range of these over the years. However, its principal financial support comes in the form of grants from the major higher education institutions in the greater Manchester area, that is Manchester University through the University of Manchester's Students' Union, Manchester Metropolitan University and the University of Salford.

University of Manchester International Society

Trustees Annual Report for the year ended 31 July 2020 (continued)

Public Benefit

The International Society has been working to support international students, promote international friendship and celebrate cultural diversity since 1966. Through this it aims to contribute to international relations and community cohesion. The Society's activities provide a space where people from different cultures can meet, get to know each other and make friends. The Society aims to internationalise the experience of all students - both British and overseas - and through this helps promote global thinking, raise cultural awareness and encourage integration. Volunteering opportunities with the Society help foster a sense of social responsibility and its school education projects help broaden the horizons and raise the aspirations of children in the community. The Society hopes to contribute to making a better world for all through being open to everyone, inclusive and fostering socially responsible global citizens. The Trustees have considered the Charities Commission's Public Benefit Guidance when carrying out activities.

Membership

Membership income for the year ended 31 July 2020 was £16,107 (2019 £38,994). This income was less as individual membership for University of Manchester students is now covered through that Universities grant arrangements. The number of members at the end of the year was 6,600 (2019 3,771). Membership fees are on a sliding scale based on duration during the year.

Staff and volunteers

The Society has a small number of permanent employees, 4 in 2020 (7 in 2019). The Society employed two graduate support worker for a fixed term of one year, a finance assistant on a 23 month contract and also employs a number of casual staff to meet service demands on an as needs be basis and is greatly assisted by many students and volunteers. During the financial year 3 members of staff were furloughed, due to the reduction in physical and face to face activities and the move to online until restrictions are lifted.

The Trustees are currently undertaking a review of the employment arrangements for its employees to make sure they are up to date and relevant. They have completed the review of the Trustees Scheme of Delegated Authority to the Director and will be updating the Society's terms and contracts for all staff in the near future.

Financial Review

The Society had a very successful first 6 months, with activity exceeding planned and budgeted level.

However, in March 2020 almost all income generating activities for the Society were cancelled because of government restrictions due to Covid-19.

Due to the success from the first six months together with strict control measures on expenditure and grant amounting to £22,222 received from the government furlough scheme, the Society ended the 2019/20 financial year with a surplus of £34,261 (2019 a deficit of £76,722).

There was a reduction in total incoming resources of 42.10% (£179,925). Apart from the loss of income generated by classes and events from Covid-19, this was mainly due to a reduction in grant income from the University of Manchester, as well as less membership revenue from students of the University of Manchester, room hire and project funding from HSBC. However, the support received from the UK government in the form of the Coronavirus Job Retention Scheme and a donation of £44,381 from related entity MIST was very welcomed.

Charitable expenditure was greatly reduced year on year by 57.8% (£285,795) (see Note 4). A large majority of the savings were from staff salaries as the Society currently employs half the number of staff in comparison to the previous year as well as redundancies paid out to staff and rent for premises in 2019. The cost of staff salaries was reduced to 80% for staff who were furloughed and supported by the Coronavirus Job Retention Scheme introduced by the government which allowed the Society to furlough staff who did not have any work due to the pandemic.

The Balance Sheet for the charity confirms that there are unrestricted reserves of £93,466 and a restricted reserve of £nil represented by net current assets. The cash balance at the end of the year was £43,739 (2019 £11,145). The settlement by debtors ensures that the Society's accumulated reserves are ultimately cash backed. The charity benefits from a favourable grant profile from its principal financial supporters which assists in maintaining its financial liquidity during the financial year.

University of Manchester International Society

Trustees Annual Report for the year ended 31 July 2020 (continued)

Reserves Policy

The accumulated unrestricted funds of £92,466 now represent 43.04% of the estimated annual running costs of the charity based on the 2019/20 figure of £213,177. However, this is an exceptional year due to the pandemic and the accumulated reserves are to mitigate the loss of income due to the pandemic in the next financial year. Whilst the Trustees are mindful that the funding streams the charity benefits from are to deliver its charitable activities in the year they are received, it is prudent that there is some financial flexibility to deal with unforeseen events. Consequently, they have determined that where possible, reserves should be created from unrestricted funds and the general reserves of the charity at the end of the financial year should be equivalent to no more than 20% and no less than 10% of the estimated annual operating costs.

There may be occasions when the charity receives funding for a specific purpose which may not be fully expended in the financial year. The balance of such funds will be held in a specific restricted reserve until they are used for the purposes they have been given.

Investment Policy

As noted above, the charity uses its unrestricted funds to support its general liquidity. The charity has a current bank account with NatWest bank, and an arrangement with that bank that credit balances over £500 at the end of each day are transferred into the Business Reserve Account

The available interest rate in other flexible deposit facilities with other providers is comparable with the interest rate the charity receives under this arrangement.

On those occasions that the charity receives specific funds which need to be held for a period before application, these funds will be held in a time limited cash deposit at the best rate available at that time.

Review of the Year

The Society started the financial year with a move to a new location within the University of Manchester's Students' Union. Great efforts were made to ensure services provided were not disrupted during the move and further promotion of the Society in the new location to ensure continued awareness of the Society's support for its stakeholders.

In March 2020, the Society faced an unprecedented challenge as fears of the global Covid-19 pandemic began to rise in the UK. As all of the Society's events and activities were face to face, the Society had to modify and shift most of its activities and support online including language classes and socials from 18th March 2020 which was in line with the strategy of the universities moving teaching online.

We do not know as yet the full socio-economic impact of the pandemic on our stakeholders and the Society. However, there has never been a time where our support and services have been more needed or valued. Whilst we anticipate a reduction in our income, the Society has and will continue providing the support and space for all its members to meet and help each other through this challenging time.

Despite the physical office closing in March, the Society had 6,600 (2019 3,771) active members.

The total number of classes organised in the year was 81 (2019 104) with 456 registrations of which 258 (2019 272) were unique members and 52 (2019 307) unique non-members.

The Hospitality Scheme hosted one reception in the autumn 2019 term and a total of 30 members were matched and met with their host families.

The Families group, run to support the partners of students and their children, was well attended until March 2020 but unfortunately, due to the nature of the group, it was not possible to have the meetings online. A number of social events and visits took place including coach visits to Yorkshire, visiting the Christmas markets, celebrating the birthdays of the children etc. The group provides a friendly and supportive atmosphere for often isolated partners to make friends, get help and support and improve their English language skills. There were 19 (2019 13) registered families who had 32 (2019 22) children between them. Of these families, 14 (2019 7) were from the University of Manchester, 1 (2019 1) from Manchester Metropolitan University, 1 (2019 1) from the University of Salford and 3 (2019 4) were non student families, all were members of the Society.

University of Manchester International Society

Trustees Annual Report for the year ended 31 July 2020 (continued)

Project Work in Schools

- Our project work in schools continued with financial support from Manchester Metropolitan University.
- 9 schools (2019 - 18) were visited in total. 9 schools (2019 - 13) were visited with RocketWorld and 0 schools (2018 - 5) were visited with Bee Hippy Happy. 78 student volunteers (2018 - 198) and 1,120 children (2018 - 2,169) took part. Feedback from schools remains excellent and relationships with community engagement and volunteering teams at all 3 universities continue to strengthen.
- Due to the pandemic, HSBC has deferred any funding for the project.

Fundraising Social Events

- A large range of fundraising social events took place over the first half of the financial year including welcome events such as Afternoon teas and picnics to a range of events such as Speed Friending, Quingo, Wreath Making and celebrating Thanksgiving. There were also two music evenings held as well as a Christmas 2019 and New Year 2020 get together held for students who stayed on campus over Christmas when the university was closed. A total of 31 social events were organised until February 2020 which attracted a total of 1,158 registrations of which 473 (2019 556) were individual members and 43 (2019 238) individual non-members attended the fundraising social events.

Member only Events

- The Society continued to organise free member only events such as the Wednesday and Friday socials, countryside walks and Language Exchange. These events were well attended as they provided a space for students to come together to meet and make friends. Refreshments and games were provided for the members. A total of 57 socials, 10 language exchanges and 7 walks took place with a total of 1,621 registrations of which 416 were unique members.

Review of plans for 2019/20:

- Ensuring the continuation of the society's core activities in its new location. Completed
- Developing new events and activities for stakeholders to increase participation across all campuses. Completed
- Strengthening existing links with the University of Manchester Students' Union and working towards a closer partnership in line with the Society's charitable aims. Ongoing
- Maintaining and strengthening links with the Society's core funders and reviewing and aligning the Society's charitable objectives with them. Ongoing
- Building new and strengthening existing links with university departments and other Students' Unions. Completed
- Maximising the online database to develop more accurate and detailed statistical information. Completed
- Completing the review of the employment terms and staff contracts. Ongoing
- Reviewing the Society's constitution to make sure it is up to date and relevant. Ongoing
- Finalising the Society's three-year business plan. Ongoing
- Achieving the Society's charitable aims through meeting targets set out in the business plan. Ongoing
- Widening links with the community through building links with new schools, attracting new hospitality hosts and reaching out to community groups. Ongoing
- Raising the profile of the International Society's work more widely in Greater Manchester. Ongoing

Brief plans for 2020/21 include:

- Facilitating the introduction of new trustees.
- Ensuring activities and events continue to be organised face to face where safe and possible as well as online during the pandemic to achieve the charitable aims.
- Developing new online events and activities to engage stakeholders who are here in Manchester as well as abroad.
- Strengthening existing links with the University of Manchester Students' Union and working towards a closer partnership in line with the Society's charitable aims.
- Completing the review of the employment terms and staff contracts.
- Reviewing the Society's constitution to make sure it is up to date and relevant.
- Finalising the Society's three-year business plan.
- Raising the profile of the International Society's work more widely in Greater Manchester

University of Manchester International Society

Trustees Annual Report for the year ended 31 July 2020 (continued)

Statement of the Trustees responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

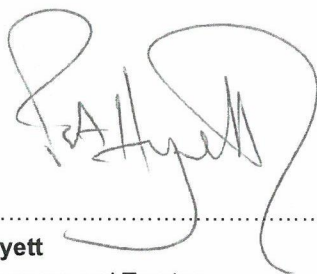
The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They 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.

The trustees' report was approved by the Board of Trustees.



P A Hyett

Chairperson and Trustee

30 April 2021
Dated.....

University of Manchester International Society

Independent examiner's report to the Trustees of Manchester University International Society

I report to the trustees on my examination of the accounts of the University of Manchester International Society (the 'charity') for the year ended 31 July 2020, which are set out on pages 9 to 15.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act. Independent examiner's statement

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared accounts in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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

Mr Jonathan Ward (FCA)
For and on behalf of Azets



11 / 5 / 2021
Alpha House
4 Greek Street
Stockport
SK3 8AB

University of Manchester International Society

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 JULY 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Incoming resources from generated funds:					
Voluntary income					
Grants	2	135,565	25,457	161,022	217,157
Fundraising events & donations		5,425	-	5,425	11,524
Donation from MIST		44,381	-	44,381	58,431
Activities of generated funds:					
Investment income	3	91	-	91	208
Other income		-	-	-	3
Incoming resources from charitable activities					
Classes		19,057	-	19,057	26,505
Training and consultancy		610	-	610	1,065
Advertising		14	-	14	1,724
One Love Project		375	-	375	1,225
Room hire		-	-	-	10,427
Membership subscriptions		16,107	-	16,107	38,994
Other incoming resources					
SWC salaries recharge		-	-	-	56,882
MIST salaries recharge		356	-	356	3,218
Total incoming resources		221,981	25,457	247,438	427,363
Resources expended					
Cost of generating funds					
Fundraising costs		(2,619)	-	(2,619)	(7,192)
Net incoming resources adjustable for charitable application		219,362	25,457	244,819	420,171
Charitable activities					
Other direct charitable expenditure	4	183,241	25,457	208,698	494,493
Governance costs		1,860	-	1,860	2,400
		185,101	25,457	210,558	496,893
Total resources expended		187,720	25,547	213,177	504,085
Net movement in funds		34,261	-	34,261	(76,722)
Funds brought forward		59,205	-	59,205	135,927
Funds carried forward		93,466	-	93,466	59,205

University of Manchester International Society

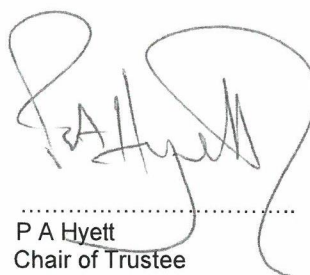
BALANCE SHEET AS AT 31 JULY 2020

	Notes	£	2020 £	£	2019 £
Current Assets					
Debtors	5	53,967		77,525	
Cash at bank and in hand		43,739		11,145	
		<u>97,706</u>		<u>88,670</u>	
Creditors: amounts due within one year	6	(1,869)		(29,465)	
Interest free loan from SWC		<u>(2,371)</u>		<u></u>	
Net Current Assets			93,466		59,205
Net Assets			<u>93,466</u>		<u>59,205</u>
Funds of the Charity					
Unrestricted funds	11		93,466		59,205
Restricted funds	11		-		-
			<u>93,466</u>		<u>59,205</u>

Approved on behalf of the Trustees:



A S D'Netto
Director



P A Hyett
Chair of Trustee

Date 30 April 2021

University of Manchester International Society

Notes to the financial statements for the year ended 31 July 2020 (continued)

1. Accounting Policies

Charity information

University of Manchester International Society is an unincorporated registered charity constituted by its governing document adopted on 21 November 1968 as amended 19 May 1969.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's constitution, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity 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 financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

1.2 Going concern

The last year has been particularly challenging as a result of the ongoing pandemic situation as the Society's income stream was at risk due to not being able to organise income generating activities since March 2020. However, with cost saving measures as well as the Coronavirus Job Retention Scheme, the Society was able to save and reduce its expenditure.

The University of Manchester's Students' Union has confirmed there will be no changes to the previously confirmed three-year grant funding which began in the 2019/2020 financial year.

The other University funders have reviewed their funding position due to the effects of Covid-19 and as a result, Manchester Metropolitan University had decided to only fund the Society for 6 months ending January 2021 while the University of Salford has decided to not continue funding the Society during the year 2020/21. The Society Trustees have considered a number of alternative business models which demonstrate how the Society is continuing its charitable activities in 2020/21 albeit with reduced funding.

Due to the effects of the pandemic, the Society's income stream continues to be affected in the financial year 2020/21 however the Society's accumulated reserves allows the Society to weather this unprecedented and challenging year ahead to continue operating and meeting its charitable aims despite the reduction in income generating activities.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

The financial statements have been prepared in accordance with the charity's constitution, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

**Notes to the financial statements
for the year ended 31 July 2020
(continued)**

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset

1.5 Resources expended

Income and expenses are included in the financial statements as they become receivable or due.

Expenses include VAT where applicable as the charity cannot reclaim it.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

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 instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

University of Manchester International Society

Notes to the financial statements for the year ended 31 July 2020 (continued)

2 Voluntary income grants

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
University of Manchester core grant	-	-	-	168,968
UoM Students' Union grant	100,000	-	100,000	-
SEED, University of Manchester	-	-	-	2,000
MMU core grant	23,404	-	23,404	23,404
MMU for RocketWorld	-	2,500	2,500	2,500
University of Salford core grant	12,161	-	12,161	11,923
HSBC Bee Hippy Happy	-	735	735	7,362
Coronavirus Job Retention Scheme	-	22,222	22,222	-
SEED for Rocketworld	-	-	-	1,000
	<u>135,565</u>	<u>25,457</u>	<u>161,022</u>	<u>217,157</u>

3 Investment income

	2020 £	2019 £
Bank interest	91	208
	<u>91</u>	<u>208</u>

4 Other direct charitable expenditure

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Staff salaries	163,370	23,114	186,484	316,783
Volunteers gifts and refreshments	61	-	61	181
Travel and general hospitality	399	-	399	190
Marketing	350	-	350	1,230
Room hire	1,700	-	1,700	-
Database maintenance & WorldPay	4,267	-	4,267	3,627
Staff training	30	-	30	-
Equipment Lease, Repairs and Sundry	2,563	-	2,563	5,600
Bank Charges and Payroll cost	1,142	-	1,142	1,543
IT Support and Software subscriptions	1,177	-	1,177	2,628
Families' group	1,629	-	1,629	3,052
Hospitality scheme	287	-	287	720
Classes	30	-	30	122
International 16	977	-	977	1,539
Free events for members	861	-	861	1,522
One Love project grant funded	-	2,343	2,343	7,073
One Love commercial projects	-	-	-	402
Printing and stationery	2,774	-	2,774	7,878
Telephone	125	-	125	1,072
Rent and service charge	-	-	-	76,860
Insurance	1,499	-	1,499	2,098
Redundancies	-	-	-	60,345
	<u>183,241</u>	<u>25,457</u>	<u>208,698</u>	<u>494,462</u>

University of Manchester International Society

Notes to the financial statements for the year ended 31 July 2020 (continued)

5	Debtors	2020	2019
		£	£
	Donations from MIST 2018/19	-	58,431
	Donations from MIST 2019/20	44,381	-
	Prepayments and deferred income	2,086	3,069
	Trade debtors	7,500	16,025
		<u>53,967</u>	<u>77,525</u>
6	Creditors	2020	2019
		£	£
	Accrued creditors	1,869	29,465
	Interest free loan	2,371	-
		<u>4,240</u>	<u>29,465</u>
7	Staff emoluments and trustees' expenses	2020	2019
		£	£
	Staff salaries and casual wages	186,484	300,548

No employee earned £60,000 per annum or more.

No trustee received any remuneration from the charity during the year.

The average number of employees	<u>4</u>	<u>9</u>
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The charity is also supported by a number of contract and casual staff

8 Pension Schemes

Pension arrangements for staff of the International Society are based on firstly a defined benefit schemes with the University of Manchester Superannuation Scheme (UMSS) for two of its staff, and secondly the Society also employs four members of staff on a defined contribution scheme with the National Employment Savings Trust (NEST).

The Society participates in these centralised defined benefit schemes with the assets held in separate Trustee administered funds. It is not possible to identify the Society's share of the underlying assets and liabilities of the schemes. Therefore, the pension contributions are accounted for in the financial statements as if the schemes were defined contribution schemes and pension costs are based on the amounts payable in accordance with paragraphs 8-12 of FRS17. The schemes are subject to triennial valuations by professionally qualified and independent actuaries.

The last full valuation of the UMSS was carried out at 31st July 2013 which showed that the funding level had improved to 87%. The employer contributions made by the Society over the financial year were £15,463 (2019 £32,681) based on an employer's contribution rate of 19.75%.

University of Manchester International Society

Notes to the financial statements for the year ended 31 July 2020 (continued)

9 Related Party Transactions

The International Society is a registered charity of which Mr Peter Hyett, Dame Sandra Burslem, Mr Wen Zhou Li (leave of absence) and Professor Sir Netar Mallick are Trustees.

None of the trustees have been paid any remuneration or received any other benefits from employment with the charity or a related entity

Transactions that the International Society had with these organisations during the year consisted of grants received from University of Manchester's Students' Union to the sum of £100,00 (2019 nil), Manchester Metropolitan University £23,404 (2019 £23,404) and from Salford University to the sum of £12,161 (2019 £11,923). In addition, payments were made to University of Manchester to the sum of £125 (2019 £78,871) for telephone services.

It has been reported that the charity has close links with MIST and SWC. In the financial year the charity made payments to MIST for trips for Families group to the amount of £807 (2019 £1,171). The Society charged MIST £356 (2018 £3,218) in respect of staffing costs supporting the work of the companies.

Included in debtors is a balance of £44,381 (2019 £58,431) due from MIST by way of a donation.

10 Taxation

The International Society is a registered charity and as such its income and gains, falling within s.505 ICTA 88 or s256 TCGA 92, are exempt from corporation tax to the extent that they are applied to its charitable objectives.

The payments received from MIST are by way of a donation except for payments for staff salaries.

11 Movement in funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Balance brought forward	59,205	-	59,205
Net movement during the year	34,261	-	34,261
Total funds carried forward	93,466	-	93,466

12 Analysis of funds between the net assets

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Debtors	53,967	-	53,967
Cash at bank	43,739	-	43,739
Creditors	(4,240)	-	(4,240)
Total funds carried forward	93,466	-	93,466

13 Post Balance Sheet Events

The Society is in discussions to formally withdraw membership and contribution to UMSS from 31st March 2021. The deficit linked with the UMSS pension will be agreed and signed under a Flexible Apportionment Agreement between University of Manchester's Superannuation Scheme, University of Manchester and International Society. Those staff affected will join the NEST scheme.

Three new Trustees have been proposed to join the Society's board of Trustees and they will be formally appointed in April 2021.