

Charity Registration No. 521248

**UNIVERSITY OF MANCHESTER
INTERNATIONAL SOCIETY**

TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2016

TABLE OF CONTENTS

Page	
1	Trustees and their advisers
2 - 7	Trustees' Report
8 - 9	Auditors' Report
10	Statement of Financial Activities
11	Balance Sheet
12 - 16	Notes to the accounts

University of Manchester International Society

Trustees and their advisers

Principal Office	William Kay House 327 Oxford Road Manchester M13 9PG
Patron	Norman K. Stoller CBE KStJ DL
Chair of Trustees	Dame Alexandra V. Burslem DBE JP DL FRSA
Trustees	Sir Netar Mallick Mr Anthony Landes Professor Wen Zhou Li (leave of absence) Professor Myszkowski (resigned 20 January 2016) Mr Andrew Charlton (appointed 4 December 2015, resigned 5 March 2016) Angela Murphy OBE (appointed 27 July 2016)
Honorary Treasurer	Mr Peter Hyett CPFA
Honorary Secretary	Ms Emma Lewis
Director	Miss Susan Fernley
Registered Charity No:	521248
Bankers	NatWest Bank Manchester University Union Branch 323 Oxford Road Manchester M13 9PS
Auditors	Booth Ainsworth LLP Chartered Accountants Alpha House 4 Greek Street Stockport Cheshire SK3 8AB

University of Manchester International Society

Trustees Annual Report for the year ended 31 July 2016

Introduction

The Trustees present their report and accounts for the year ended 31 July 2016

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 the Statement of Recommended Practice applicable to charities preparing their account in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015).

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 met four times during the year and were the sole decision making body for the charity, agreeing and delegating actions to the Director through those meetings. The Trustees Management Committee, whose role is to provide the Trustees with advice on the activities and policies of the Society, also four times during the year and the outcome of their deliberations were reported to the Trustees.

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 continue 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.

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 a 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.

The Director, who is the most senior employee of the Society, the Honorary Treasurer and the Honorary Secretary 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 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. These companies trade from the premises occupied by the International Society and provide benefits to individual members of the International Society. The International Society employs three permanent and two casual staff who are currently seconded to the SWC and quite separately provides administrative support to both of these companies.

Furthermore, the International Society procures catering services from SWC to support a number of its activities. MIST has, for a number of years, made a charitable donation to the International Society to enable the charity to carry out its objectives. SWC has also made a charitable donation in the year of this report although it did not in the previous year.

During the previous year the Trustees, on an individual basis, became 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 2016 (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. It operates out of rented accommodation in the heart of the Manchester student quarter.

The charity encourages potential student beneficiaries 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 and SWC 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.

The charity seeks to make best use of its accommodation and looks to make its facilities available to other like minded organisations for an appropriate fee.

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, namely Manchester University, Manchester Metropolitan University and Salford University.

These educational charities, collaborate financially and operationally with the International Society as a natural consequence of their overlapping charitable objectives. The Management Committee set up by the Trustees plays a role in facilitating this collaboration.

University of Manchester International Society

Trustees Annual Report for the year ended 31 July 2016 (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 premises and 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 2016 was £37,239 (2015 - £29,688). The number of members at the end of the year was 4,150 (2015 - 4,536) of which 3765 (2015 - 2,261) came directly to the main Oxford Road Office to join. As all memberships expire at the end of August, as the year goes on, the amount each member pays reduces.

Staff and volunteers

The Society has a small number of permanent employees, 11 in 2016 (11 - 2015) and employs casual staff to meet service demands on an as needs basis. The Society is also greatly assisted by many students and volunteers.

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 their review and updated 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 finished the 2015/16 financial year with a deficit of £35,798 (2015 a surplus of £34,857). It should be noted that a significant part of the deficit arises due to the accounting requirement to recognise all income in the year it is received. The income for the year 2014/15 included £33,050 from the Stoller grant and £1,000 from the Learning Enrichment grant, that was transferred to restricted reserves, and used, as planned during the 2015/16 financial year. The underlying operational deficit on the 2015/16 year after these amounts have been taken into consideration was £1,748. This was considerably better than the budgeted deficit of £12,696 that had been approved by the Trustees when authorising unrestricted reserves to be used towards the cost of £15,796 needed to pay for online services development.

The increase in the charitable donation from the related entity MIST of 6% £3,212, taking the total donation to £55,540 was welcomed together with the donation from SWC of £2,468. There was also an increase in membership income of 25.4% £7,551 (2015 decrease of 11% £3,722) and income from hiring out unused space of 21.2% £4,227 (2015 47% £6,446).

The reduction in grant income both in real and relative terms from the Universities provided a challenge to the Society, however cuts were made in both service expenditure and overhead expenditure to meet this change alongside the increased income.

Charitable expenditure increased year on year by 0.47% £2,384 (2015 4.2% £19,539) (see Note 4). The cost of staff reduced by 2.36% £7,994 (2015 increased by 4% £13,124) mainly due to the closure of the office in Salford funded previously by the Salford Development grant that was not received in this year and the new Development Officer being funded directly by the Stoller grant. The rent and service charge for the premises increased by 1% £750 (2015 2.3% £1,650). Classes expenditure reduced by £11,898 (2015 increased by £4,736), this was mainly due to withdrawing the offer of free lunches in SWC to volunteer teachers.

University of Manchester International Society

Trustees Annual Report for the year ended 31 July 2016 (continued)

The Balance Sheet for the charity confirms that there are unrestricted reserves of £90,935 represented by net current assets. The cash balance at the end of the year was £25,398 (2015 £108,474). 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. However, during the financial year of 2015/16, the University of Manchester withdrew the paid for payroll processing service and this moved to Booth Ainsworth accountants. The payroll is now paid directly from the charity's bank account in place of the University paying staff and invoicing International Society with at least thirty day's credit, changing the cashflow of the charity which will need closer monitoring than it has in the past.

Reserves Policy

The accumulated unrestricted funds of £90,935 now represent 18.2% of the estimated annual running costs of the charity based on the 2015/16 figure of £500,808. 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.

The Trustees are considering reviewing the reserves policy taking into consideration the new cashflow position of the charity alongside other factors.

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

Membership

- The Society had 4,150 (2015 4,536) active members of which 3765 (2015 2,261) came directly to the main Oxford Road Office to join or joined online via the new system.
- The number of classes in the year was 111 (2015 143) with the number of members participating being 873 (2015 626) and 398 (2015 428) non-members. 81 (2015 85) free places were given to volunteer teachers. 743 (2015 757) of those registered on the classes were students.
- The Hospitality Scheme hosted two parties, three in 2015
- The Families group, run to support the partners of students and their children, was well attended all year. Advice and information on living and working in the UK was given as needed (or referrals made to where advice can be sought from), particularly in respect of healthcare, nurseries and schooling. A number of social events and visit took place including coach visits to zoos, 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 21 (2015 25) registered families who had 35 (2016 36) children between them. Of these families, 12 (2015 14) were from the University of Manchester, 2 (2015 1) from Salford and 7 (2015 10) were non student families, all were members of the Society.

University of Manchester International Society

Trustees Annual Report for the year ended 31 July 2016 (continued)

- A number of free social events were held during the year for members, particularly an Afternoon Tea, attended by 50 (2015 150) members and a Christmas and New Year Party, attended by over 40 (2015 100) members.
- The International 16 initiative was run again during the year but took place only at William Kay House, not at Salford University due to the withdrawal of the development funding there.

Project Work in Schools

- Our project work in schools continued with financial support from HSBC and MMU.
- 22 (2015 28) schools were visited, 17 (2015 23) RocketWorld and 4 (2015 5) Bee Hippy Happy visits and a total of 257 (2015 357) student volunteers and 2,640 (2015 3,400) children took part. MMU's Widening Participation group funded 10 (2015 3) of these sessions. Feedback from schools has been excellent and the projects have continued to develop stronger links with the widening participation teams at all 3 universities.

Fundraising Social Events

- A large range of fundraising social events took place over the year including BBQ's, national evenings covering countries and areas including South Africa, Malaysia, Singapore, Chile, Japan, Korea and Taiwan. There were celebration nights for American Thanksgiving and Diwali. There were also two music evenings held. A total of 385 (2015 509) members and 266 (2015 48) non members attended the cultural evenings and celebrations nights and 22 members and 13 non members (2015 67 members) came to the Music evenings.

Review of plans for 2015/16:

- Developing online payments and services via the online database and booking system. **Completed**
- Using the online database to develop more accurate and detailed statistical feedback. **Ongoing**
- Using the online database for targeted surveying and feedback. **Ongoing**
- Introducing card readers into reception. **Completed**
- Reviewing the Society's Marketing Strategy with the benefit of the Stoller grant. **Ongoing**
- Completing the review of the employment terms and staff contracts. **Ongoing**
- Completing the activity costing for the Society's charitable work to inform discussions with the major grant funders on future charitable activities. **Completed**
- Implementing the Memoranda of Understanding between the Society and MIST and SWC. **Completed**
- Updating the Society's medium term plans. **Completed**
- Reviewing the Society's constitution to make sure it is up-to-date and relevant. **Ongoing**

Brief plans for 2016/17 include:

- Maximising the online database to develop more accurate and detailed statistical information.
- Using the online database for targeted surveying and feedback.
- Continuing to review the Society's Marketing Strategy.
- 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.
- Running a range of events to celebrate the 50th Anniversary of the International Society.
- Increasing membership by a minimum of 5 percent.
- Finalising the Society's three year business plan.
- Achieving the Society's charitable aims through meeting targets set out in the business plan.
- Widening links with the community through building links with new schools, attracting new hospitality hosts and reaching out to community groups.
- Maintaining and strengthening links with the Society's core funders.
- Building new and strengthening existing links university schools, departments and Students' Unions.

University of Manchester International Society

Trustees Annual Report for the year ended 31 July 2016 (continued)

Statement of the Trustees responsibilities

The Trustees are responsible for their annual report, and the preparation of the financial statements for each financial year which give a true and fair view of the incoming resources and application of those resources to the charity during the period, and the state of affairs at the end of the financial period. In preparing these financial statements the Trustees are required to:

- ensure that suitable accounting policies are established and applied consistently;
- make judgements and estimates which are reasonable and prudent;
- state whether the applicable accounting standards and statement of recommended accounting practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees have overall responsibility for ensuring that the charity has appropriate systems and controls, financial and otherwise. They are also responsible for keeping proper accounting records which 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 Accounting Standards and the relevant Statement of Recommended Practice (the Charities SORP) and the regulations made under s144(2) of the Charities Act 2011.

They are also responsible for safeguarding the assets of the charity and for their proper application as required by charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the charity is operated efficiently and effectively;
- all assets are safeguarded against unauthorised use or disposition and are properly applied;
- proper records are maintained and financial information used within the charity, or for publication, is reliable;
- the charity complies with relevant laws and regulations.

Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency. Processes are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly by both the executive management and the Board of Trustees.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- an annual budget approved by the trustees;
- regular consideration by the trustees of financial results, variances from budgets, non financial performance indicators and benchmarking reviews;
- delegation of day to day management authority and segregation of duties and identification and management of risks.

Signed on behalf of the Trustees



Dame Alexandra Burslem
Chairperson and Trustee

Dated... 25 APRIL 2017

University of Manchester International Society

Auditors' report to the Trustees of Manchester University International Society

We have audited the financial statements of Manchester University International Society for the year ended 31 July 2016 set out on pages 10 to 16. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective 1 January 2015).

This report is made solely to the charities trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 144 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

We read all the information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

University of Manchester International Society

**Auditors' report to the Trustees of
Manchester University International Society
(Continued)**

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2016 and of its incoming resources and application of resources 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 Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees Annual Report is inconsistent in any material respect with the financial statements; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



**Mr Jonathan Ward (Senior Statutory Auditor)
for and on behalf of Booth Ainsworth LLP**

**Chartered Accountants
Statutory Auditor**

Alpha House
4 Greek Street
Stockport
Cheshire
SK3 8AB

Dated: 

University of Manchester International Society

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31 JULY 2016

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income					
Grants	2	204,125	35,269	239,394	301,998
Fundraising events & donations		12,059	-	12,059	8,233
Donation from MIST		55,540	-	55,540	52,328
Donation from SWC		2,468	-	2,468	-
Activities of generated funds:					
Investment income	3	83	-	83	222
Other income		9	-	9	66
Incoming resources from charitable activities					
Classes		35,208	-	35,208	37,786
Football		320	-	320	1,647
Training and consultancy		825	-	825	985
Advertising		1,150	-	1,150	-
RocketWorld		4,310	-	4,310	5,750
Bee Hippy Happy		-	-	-	475
Room hire		24,211	-	24,211	19,984
Membership subscriptions		37,239	-	37,239	29,688
Other incoming resources					
SWC salaries recharge		72,977	-	72,977	69,710
MIST salaries recharge		4,337	-	4,337	3,386
Total incoming resources		<u>454,861</u>	<u>35,269</u>	<u>490,130</u>	<u>532,258</u>
Resources expended					
Cost of generating funds					
Fundraising costs		(8,413)	-	(8,413)	(6,897)
Net incoming resources adjustable for charitable application		<u>446,448</u>	<u>35,269</u>	<u>481,717</u>	<u>525,361</u>
Charitable activities					
Other direct charitable expenditure	4	444,488	69,319	513,807	486,304
Governance costs					
Audit, legal and professional fees		3,708	-	3,708	4,200
		<u>448,196</u>	<u>69,319</u>	<u>517,515</u>	<u>490,504</u>
Total resources expended		<u>456,609</u>	<u>69,319</u>	<u>525,928</u>	<u>497,401</u>
Net movement in funds		<u>(1,748)</u>	<u>(34,050)</u>	<u>(35,798)</u>	<u>34,857</u>
Funds brought forward		<u>92,683</u>	<u>34,050</u>	<u>126,733</u>	<u>91,876</u>
Funds carried forward		<u>90,935</u>	<u>-</u>	<u>90,935</u>	<u>126,733</u>

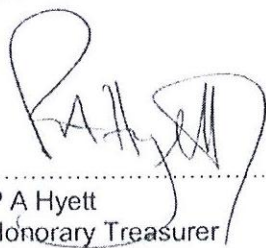
The notes on pages 12 to 16 form part of these financial statements.

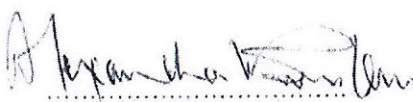
University of Manchester International Society

**BALANCE SHEET
AS AT 31 JULY 2016**

	Notes	£	2016 £	£	2015 £
Current Assets					
Debtors	5	74,606		83,894	
Cash at bank and in hand		27,516		108,474	
		<u>102,122</u>		<u>192,368</u>	
Creditors: amounts due within one year	6	<u>(11,187)</u>		<u>(65,635)</u>	
Net Current Assets			90,935		126,733
Net Assets			<u>90,935</u>		<u>126,733</u>
Funds of the Charity					
Unrestricted funds	11		90,935		92,683
Restricted funds	11		-		34,050
			<u>90,935</u>		<u>126,733</u>

Approved on behalf of the Trustees:


P A Hyett
Honorary Treasurer


Dame Alexandra Burslem
Chairperson and Trustee

Date 25 APRIL 2017

University of Manchester International Society

Notes to the financial statements for the year ended 31 July 2016

1. Accounting policies

(a) Basis of Preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards, the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015) and the Charities Act 2011.

(b) Fund Accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity that have not been designated for other purposes.

Restricted funds are funds subject to special conditions imposed by the donor, or with their authority or created through a legal process. The funds are not therefore available for work performed by International Society other than that specified by the donor.

(c) Incoming Resources

Income is recognised in the statement of financial activities when all of the following criteria are met:

- Entitlement – control over the rights or other access to the economic benefit has passed to the charity.
- Probable – income is recognised when there is sufficient certainty of receipt (receipt is more likely than not);
- Measurement – the monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

In the case of a grant, evidence of entitlement will usually exist when the formal offer of funding is communicated in writing to the charity.

Where grant funding agreements contain conditions that specify services to be performed by the charity the income will only be recognised to the extent that the charity has provided the specified services as entitlement to the grant only occurs when the performance-related conditions are met.

A restriction on the use of a grant to a particular purpose or activity does not create a performance-related condition. A restriction creates a requirement that limits or directs the purpose for which a resource may be used but it does not require a specific level of performance or output from the charity.

(d) Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

(e) Liabilities

Liabilities are recognised when the charity has an obligation to make payment to a third party.

2 Voluntary income grants

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
University of Manchester core grant	168,968	-	168,968	187,742
IDPM, University of Manchester	2,000	-	2,000	1,000
Art History, University of Manchester	-	-	-	1,000
MMU core grant	22,083	-	22,083	22,083
MMU for RocketWorld	-	5,000	5,000	-
University of Salford core grant	11,074	-	11,074	11,073
University of Salford development	-	-	-	30,000
Oglesby Rocketworld	-	-	-	6,500
HSBC Bee Happy	-	5,150	5,150	2,600
Norman Stoller grant	-	25,119	25,119	35,000
Learning Enrichment Fund	-	-	-	4,000
Duchy of Lancaster	-	-	-	1,000
	<u>204,125</u>	<u>35,269</u>	<u>239,394</u>	<u>301,998</u>

University of Manchester International Society

**Notes to the financial statements
for the year ended 31 July 2016
(Continued)**

3	Investment income			2016	2015
				£	£
	Bank interest			83	222
				<u>83</u>	<u>222</u>
4	Other direct charitable expenditure	Unrestricted Funds	Restricted Funds	Total Funds 2016	Total Funds 2015
		£	£	£	£
	Staff salaries	316,800	39,300	356,100	338,975
	Staff refreshments	-	-	-	8,288
	Volunteers gifts and refreshments	197	-	197	56
	Travel and general hospitality	1,620	-	1,620	3,044
	Marketing	1,201	-	1,201	-
	Room Hire	135	-	135	-
	Online maintenance & WorldPay	4,668	-	4,668	-
	Staff training and other miscellaneous costs	7,523	-	7,523	9,703
	Families' group	3,703	-	3,703	4,748
	Hospitality scheme	2,016	-	2,016	4,068
	Classes	471	-	471	12,315
	International 16	1,474	-	1,474	2,266
	Support Fund	700	-	700	-
	Free events for members	2,940	-	2,940	3,984
	RocketWorld grant funded	-	2,228	2,228	3,610
	RocketWorld commercial projects	1,007	-	1,007	1,334
	Bee Hippy Happy grant funded	-	1,672	1,672	2,648
	Earth Asylum	-	-	-	275
	Learning Enrichment Fund	-	1,000	1,000	2,918
	Norman Stoller Grant	-	25,119	25,119	326
	Football Sessions	405	-	405	1,594
	Printing and stationery	8,485	-	8,485	11,442
	Telephone	1,197	-	1,197	1,310
	Rent and service charge	74,150	-	74,150	73,400
	Setup online services and CiviCRM	15,796	-	15,796	-
		<u>444,488</u>	<u>69,319</u>	<u>513,807</u>	<u>486,304</u>
5	Debtors			2016	2015
				£	£
	Donations from MIST 2014/15			-	52,328
	Donations from MIST 2015/16			55,540	-
	Donations from SWC 2015/16			2,468	-
	Membership payments from MMU			4,552	4,942
	Prepayments and deferred income			5,830	2,849
	SWC Salaries			6,216	23,775
				<u>74,606</u>	<u>83,894</u>

**Notes to the financial statements
for the year ended 31 July 2016
(continued)**

6	Creditors	2016 £	2015 £
	Accrued creditors	6,187	4,361
	University of Manchester salaries	-	61,274
	Grants received not yet applied: Norman Stoller	5,000	-
		<u>11,187</u>	<u>65,635</u>

7	Staff emoluments and trustees' expenses	2016 £	2015 £
	Staff salaries and casual wages	<u>356,100</u>	<u>338,975</u>

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>11</u>	<u>11</u>
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The charity is supported by a number of temporary and casual staff

8 Pension Schemes

Pension arrangements for staff of the International Society are based on defined benefit schemes with the University Superannuation Scheme (USS) for the two senior staff and the University of Manchester Superannuation Scheme (UMSS) for seven of the other staff.

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 the FRSSE. The schemes are subject to triennial valuations by professionally qualified and independent actuaries.

The latest available full actuarial valuation of the USS was carried out as at 31 March 2014 which was carried out using the projected unit method and showed that the assets were sufficient to cover 89% of the benefits that had accrued to members after allowing for expected future increases in earnings. Further details are available on request. The employer contributions made by the Society over the financial year were £13,738 (2015 £13,063) based on an employer's contribution rate of 16% which increased to 18% from April 2016.

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 £29,819 (2015 £29,242) based on an employer's contribution rate of 19.75%.

**Notes to the financial statements
for the year ended 31 July 2016
(continued)**

9 Related Party Transactions

The International Society is a registered charity of which Dame Sandra Burslem, Mr Andrew Charlton (appointed 4 December 2015, resigned 5 March 2016), Professor Myszkowski (Manchester Metropolitan University) (resigned 20 January 2016), Mr Wen Zhou Li (leave of absence), Professor Sir Netar Mallick and Mr Anthony Landes are Trustees.

None of the trustees has been paid any remuneration or received any other benefits from an 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 Manchester University in the sum of £168,968 (2015 £187,742), Manchester Metropolitan University £22,083 (2015 £22,083) and from Salford University in the sum of £11,074 (2015 £11,073). In addition payments were made to Manchester University in the sum of £77,077 (2015 £76,745) for the following services; payroll management, pension scheme management (until April 2016), property lease and facilities management, telephone and computer services. Manchester University provides employment liability and public liability insurance as well as Directors' and Officers' insurance on a pro bono basis. From April 2016 the UMSS pension scheme management has been provided free of charge, this is to be reviewed in July 2017.

It has been reported that the charity has close links with MIST and SWC. In the financial year the charity made payments to SWC of £5,617 (2015 £30,226) for services provided in the form of refreshments and £1,091 (2015 £1,721) to MIST for trips for Women's group. It charged SWC £72,977 (2015 £69,710) and MIST £4,337 (2015 £3,386) in respect of staffing costs supporting the work of the companies.

Included in debtors is a balance of £55,540 (2015 £52,328) due from MIST by way of a donation, a balance of £4,552 (2015 £4,942) due from MMU for their student memberships and £6,216 (2015 £23,775) from SWC for their staff salaries.

Governance support services were provided by EL Law LLP, owned by Emma Lewis, the Honorary Secretary and were charged at £600.

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 and SWC are by way of a donation except for payments for staff salaries.

University of Manchester International Society

**Notes to the financial statements
for the year ended 31 July 2016
(continued)**

11 Movement in funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Balance brought forward	92,683	34,050	126,733
Net movement during the year	(1,748)	(34,050)	35,798
Total funds carried forward	<u>90,935</u>	<u>-</u>	<u>90,935</u>

12. Analysis of funds between the net assets

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Debtors	74,606	-	74,606
Cash at bank	27,516	-	27,516
Accrued expenses	(11,187)	-	(11,187)
Total funds carried forward	<u>90,935</u>	<u>-</u>	<u>90,935</u>