

UNIVERSITY OF MANCHESTER INTERNATIONAL SOCIETY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

University of Manchester International Society

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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) Angela Murphy OBE
Honorary Treasurer	Mr Peter Hyett CPFA
Honorary Secretary	Ms Emma Lewis
Director Acting Director	Miss Susan Fernley (resigned 7 th April 2017) Mr Samuel Harris
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 2017

Introduction

The Trustees present their report and accounts for the year ended 31 July 2017

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 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).

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 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. 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.

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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, that is 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.

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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 though 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 2017 was £41,063 (2016 £37,239). The number of members at the end of the year was 4,144 (2016 4,150) of which 3,805 (2016 3,765) 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, 9 in 2017 (11 in 2016), the Finance Officer resigned on 24th February 2017 and the Director retired on 7th April 2017 on the grounds of ill health. The trustees appointed an Acting Director on an interim basis whilst the review of the society's staff needs was made. The Society also employs a number of casual staff to meet service demands on an as needs basis and is 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 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 finished the 2016/17 financial year with a surplus of £6,002 (2016 a deficit of £35,798).

The increase of 30.8% £3,719 from fundraising events and donations was welcomed together with the increase in the charitable donation from the related entity MIST of 16% £8,914, taking the total donation to £64,454. There was also an increase in membership income of 10.3% £3,824 (2016 increase of 25.4% £7,551). The Society was also successful in securing further funding from HSBC, MMU and SEED for further project work with local schools as well as Santander for two short term placements.

Grant income from Universities remain the same as the previous year despite an inflationary increase in most costs which 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 reduced year on year by 7.94% £38,756 (2016 0.47% £2,384) (see Note 4). The cost of staff increased year on year by 2.5% £8,294 (2016 -2.36% -£7,994) despite a reduction in the total number of staff at the end of the year. This was mainly due to additional casual staff being employed while 2 members of staff were off due to long term illness and the Society having secured two specific grant funded posts. Catering for Hospitality events as well as Free member events were brought in house and as such were reduced by £3,481.

The Society had a long standing unresolved matter for a member of staff which was brought to a satisfactory conclusion in January 2018 through an ex-gratia payment. This is reflected in this financial statement due to its historic nature.

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The Balance Sheet for the charity confirms that there are unrestricted reserves of £96,937 represented by net current assets. The cash balance at the end of the year was £42,495 (2016 £27,516). 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.

Reserves Policy

The accumulated unrestricted funds of £96,937 now represent 20.28% of the estimated annual running costs of the charity based on the 2016/17 figure of £478,018. 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 4,144 (2016 4,150) active members of which 3,805 (2016 3,765) came directly to the main Oxford Road Office to join and 339 joined online.
- The number of classes in the year was 128 (2016 111) with the number of members participating being 431 (2016 873) and 583 (2016 398) non-members. 859 (2016 743) of those registered on the classes were students.
- The Hospitality Scheme hosted three receptions, two in 2016. A total of 53 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 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 visits 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 24 (2016 21) registered families who had 33 (2016 35) children between them. Of these families, 14 (2016 12) were from the University of Manchester, 1 (2016 0) from Manchester Metropolitan University and 9 (2016 7) were non student families, all were members of the Society.

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- A number of free social events were held during the year for members, particularly Afternoon Teas for each of the universities welcome periods in September and January, attended by 236 (2016 153) members and a Christmas and New Year Party, attended by 61 (2016 40) members.
- A new event was also introduced in February 2017, the Wednesday Social to offer members an opportunity to get together weekly to meet and interact over coffee, tea, biscuits and board games provided. A total of 466 members participated in this weekly activity.
- An International Film club was also set up in collaboration with Odeon Cinemas to provide members a more cost effective and to watch international films. A total of 26 members participated in the 2 cinema events that were organised.
- The International 16 initiative which promotes cultural exchange and organises the cultural evening was run again during the year.

Project Work in Schools

- Our project work in schools continued with financial support from HSBC, MU, MMU and Rotary.
- 18 schools (2016 22) were visited; short of the target of 25 due to the extra workload created by the Project and Training Officer taking on the role of Acting Director. 14 schools (2016 17) were visited with RocketWorld and 4 schools (2016 4) were visited with Bee Hippy Happy. 214 student volunteers (2016 257) and 2,214 children (2016 2,640) took part. Feedback from schools remains excellent and relationships with community engagement and volunteering teams at all 3 universities continue to strengthen.

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 China, Spain, Korea, Indonesia, Japan, Thailand and Lithuania. There were celebration nights for American Thanksgiving and a food festival showcasing street foods from across Asia. There were also six music evenings held. A total of 496 (2016 385) members and 273 (2016 266) non members attended the cultural evenings and celebrations nights and 79 members and 30 non members (2016 22 members and 13 non members) came to the Music evenings.

Review of plans for 2016/17:

- Using the online database to develop more accurate and detailed statistical feedback. Ongoing
- Using the online database for targeted surveying and feedback. Ongoing
- 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
- Maximising the online database to develop more accurate and detailed statistical information. Ongoing
- Continuing to review the Society's Marketing Strategy. Ongoing
- Running a range of events to celebrate the 50th Anniversary of the International Society. Completed
- Increasing membership by a minimum of 5 percent. Completed
- 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
- Maintaining and strengthening links with the Society's core funders. Ongoing
- Building new and strengthening existing links with university schools, departments and Students' Unions. Ongoing

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Brief plans for 2017/18 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.
- 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 with university schools, departments and Students' Unions.
- Increasing the number of free member events offered
- Exploring and developing new links with MIDAS in relation to the Study Manchester platform
- Raising the profile of the International Society's work more widely in Greater Manchester

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Trustees Annual Report
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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.



Dame Alexandra Burslem

Chairperson and Trustee

Dated 21.05.2018

University of Manchester International Society

Auditors' report to the Trustees of Manchester University International Society

Opinion

We have audited the financial statements of University of Manchester International Society (the 'charity') for the year ended 31 July 2017 which comprise the Statement of Financial Activities, the Balance Sheet, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

University of Manchester International Society

Auditors' report to the Trustees of Manchester University International Society

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of

As explained more fully in the Statement of Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters which we are required to address

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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) 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.

This has been done in order for the financial statements 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.

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 auditors' 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.



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

Chartered Accountants
Statutory Auditor

22/5/18.

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 2017


	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Incoming resources from generated funds:					
Voluntary income					
Grants	2	204,301	18,550	222,851	239,394
Fundraising events & donations		15,778	-	15,778	12,059
Donation from MIST		64,454	-	64,454	55,540
Donation from SWC		-	-	-	2,468
Activities of generated funds:					
Investment income	3	27	-	27	83
Other income		45	-	45	9
Incoming resources from charitable activities					
Classes		35,737	-	35,737	35,208
Football		145	-	145	320
Training and consultancy		1,000	-	1,000	825
Advertising		1,825	-	1,825	1,150
RocketWorld		1,900	-	1,900	4,310
Bee Hippy Happy		475	-	475	-
Room hire		24,985	-	24,985	24,211
Membership subscriptions		41,063	-	41,063	37,239
Other incoming resources					
SWC salaries recharge		70,589	-	70,589	72,977
MIST salaries recharge		3,146	-	3,146	4,337
Total incoming resources		465,470	18,550	484,020	490,130
Resources expended					
Cost of generating funds					
Fundraising costs		(9,624)	-	(9,624)	(8,413)
Net incoming resources adjustable for charitable application					
		455,846	18,550	474,396	481,717
Charitable activities					
Other direct charitable expenditure	4	446,382	18,550	464,932	513,807
Governance costs		3,462	-	3,462	3,708
		449,844	18,550	468,394	517,515
Total resources expended		459,468	18,550	478,018	525,928
Net movement in funds		6,002	-	6,002	(35,798)
Funds brought forward		90,935	-	90,935	126,733
Funds carried forward		96,937	-	96,937	90,935

**BALANCE SHEET
AS AT 31 JULY 2017**

	Notes	£	2017 £	£	2016 £
Current Assets					
Debtors	5	71,717		74,606	
Cash at bank and in hand		42,495		27,516	
		<u>114,212</u>		<u>102,122</u>	
Creditors: amounts due within one year	6	<u>(17,275)</u>		<u>(11,187)</u>	
Net Current Assets			96,937		90,935
Net Assets			<u>96,937</u>		<u>90,935</u>
Funds of the Charity					
Unrestricted funds	11		96,937		90,935
Restricted funds	11		-		-
			<u>96,937</u>		<u>90,935</u>

Approved on behalf of the Trustees:


P A Hyett
Honorary Treasurer


Dame Alexandra Burslem
Chairperson and Trustee

Date 21st May 2018

University of Manchester International Society
Notes to the financial statements
for the year ended 31 July 2017

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 [governing document], 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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

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.

University of Manchester International Society

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.

2 Voluntary income grants

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
University of Manchester core grant	168,968	-	168,968	168,968
SEED, University of Manchester	2,000	-	2,000	2,000
MMU core grant	22,083	-	22,083	22,083
MMU for RocketWorld	-	2,500	2,500	5,000
University of Salford core grant	11,250	-	11,250	11,074
HSBC Bee Hippy Happy	-	7,100	7,100	5,150
Norman Stoller grant	-	5,000	5,000	25,119
Santander Placement	-	2,000	2,000	-
SEED for Rocketworld	-	1,000	1,000	-
Rotary for Rocketworld	-	950	950	-
	<u>204,301</u>	<u>18,550</u>	<u>222,851</u>	<u>239,394</u>

University of Manchester International Society
Notes to the financial statements
for the year ended 31 July 2017
(Continued)

3	Investment income			2017	2016
				£	£
	Bank interest			27	83
				<u>27</u>	<u>83</u>
4	Other direct charitable expenditure	Unrestricted Funds	Restricted Funds	Total Funds 2017	Total Funds 2016
		£	£	£	£
	Staff salaries	329,138	10,137	339,275	356,100
	Volunteers gifts and refreshments	40	-	40	197
	Travel and general hospitality	1,083	-	1,083	1,620
	Marketing	766	-	766	1,201
	Room Hire	138	-	138	135
	Online maintenance & WorldPay	2,440	-	2,440	4,668
	Staff training and other miscellaneous costs	7,572	-	7,572	7,523
	Families' group	3,457	-	3,457	3,703
	Hospitality scheme	630	-	630	2,016
	Classes	398	-	398	471
	International 16	1,244	-	1,244	1,474
	Support Fund	-	-	-	700
	Free events for members	845	-	845	2,940
	RocketWorld grant funded	-	1,930	1,930	2,228
	RocketWorld commercial projects	298	-	298	1,007
	Bee Hippy Happy grant funded	-	1,483	1,483	1,672
	Learning Enrichment Fund	-	-	-	1,000
	Norman Stoller Grant	-	5,000	5,000	25,119
	Football Sessions	57	-	57	405
	Printing and stationery	7,589	-	7,589	8,485
	Telephone	1,194	-	1,194	1,197
	Rent and service charge	74,150	-	74,150	74,150
	Setup online services and CiviCRM	-	-	-	15,796
	Insurance	343	-	343	-
	Ex-gratia payment	15,000	-	15,000	-
		<u>446,382</u>	<u>18,550</u>	<u>464,932</u>	<u>513,807</u>
5	Debtors			2017	2016
				£	£
	Donations from MIST 2016/17			64,454	-
	Donations from MIST 2015/16			-	55,540
	Donations from SWC 2015/16			-	2,468
	Membership payments from MMU			-	4,552
	Prepayments and deferred income			3,383	5,830
	SWC Salaries			-	6,216
	Trade Debtors			3,880	-
				<u>71,717</u>	<u>74,606</u>

University of Manchester International Society
Notes to the financial statements
for the year ended 31 July 2017
(continued)

6	Creditors	2017 £	2016 £
	Accrued creditors	17,275	6,187
	Grants received not yet applied: Norman Stoller	-	5,000
		<u>17,275</u>	<u>11,187</u>

7	Staff emoluments and trustees' expenses	2017 £	2016 £
	Staff salaries and casual wages	<u>339,275</u>	<u>330,981</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>9</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 one senior staff member and the University of Manchester Superannuation Scheme (UMSS) for six 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 paragraphs 8-12 of FRS17. 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 £13,097 (2016 £13,738) based on an employer's contribution rate of 18%.

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 £28,704 (2016 £29,819) based on an employer's contribution rate of 19.75%.

**Notes to the financial statements
for the year ended 31 July 2017
(continued)**

9 Related Party Transactions

The International Society is a registered charity of which Dame Sandra Burslem, Mr Wen Zhou Li (leave of absence), Professor Sir Netar Mallick, Mr Anthony Landes and Ms Angela Murphy 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 Manchester University in the sum of £168,968 (2016 £168,968), Manchester Metropolitan University £22,083 (2016 £22,083) and from Salford University in the sum of £11,250 (2016 £11,074). In addition, payments were made to Manchester University in the sum of £76,122 (2016 £77,077) 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.

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 £2,016 (2016 £5,617) for services provided in the form of refreshments and £1,823 (2016 £1,091) to MIST for trips for Women's group. It charged SWC £70,589 (2016 £72,977) and MIST £3,146 (2016 £4,337) in respect of staffing costs supporting the work of the companies.

Included in debtors is a balance of £64,454 (2016 £55,540) 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 and SWC 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	90,935	-	90,935
Net movement during the year	6,002	-	6,002
	<hr/>	<hr/>	<hr/>
Total funds carried forward	96,937	-	96,937
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

University of Manchester International Society

**Notes to the financial statements
for the year ended 31 July 2017
(continued)**

12. Analysis of funds between the net assets

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Debtors	71,717	-	71,717
Cash at bank	42,495	-	42,495
Accrued expenses	(17,275)	-	(17,275)
Total funds carried forward	<u>96,937</u>	<u>-</u>	<u>96,937</u>