

REGISTERED CHARITY NUMBER: 1068084

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
ALLIANCE FRANCAISE DE MANCHESTER

ALLIANCE FRANCAISE DE MANCHESTER

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for the Year Ended 31 December 2021

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ALLIANCE FRANÇAISE DE MANCHESTER

REPORT OF THE TRUSTEES **for the Year Ended 31 December 2021**

The trustees have adopted the provisions of 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) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

The Charity, which for many years operated as a company limited by guarantee, was authorised by the Charity Commission in August 2021 to convert to a Charitable Incorporated Organisation. The objectives of the charity remain unchanged and these are to advance the education of the public generally but particularly within Greater Manchester and its environs concerning French language, literature, culture and associated modes of thought and to promote cultural harmony and linguistic diversity by encouraging linguistic and cultural exchanges

A full-time managing director, whose salary is paid by the French Foreign Office, is in charge of the day-to-day administration of the Charity (hereinafter referred to as the Alliance). He is assisted by the following members of staff: a course administrator (full-time), a course director, an administration manager and an assistant course administrator (part-time). In addition other part-time staff act as administrators/receptionists in evening hours during term time and over the summer period. The remaining staff are employed as teachers but also assist with other events as appropriate. Finally, during the year under review, the Alliance had the benefit of two French volunteers gaining work experience in the UK.

BUSINESS REVIEW

2021 was another difficult year for the Alliance. Varying restrictions on public gatherings due to the ongoing Covid pandemic were in force until the end of July. As a result, the Alliance premises were closed to the public for much of the first half of the year and all courses and all cultural activities remained on-line. In the autumn, the Alliance did offer a limited number of courses in-class but the majority stayed on line. There are two problems which face the Alliance as it contemplates a more general return to what was normal teaching prior to the outbreak of the Covid infection. Firstly, having now had the experience of on-line courses, different people have different preferences: some would like to return to classroom teaching, others prefer to continue on-line. Secondly, the Alliance has fewer available teaching rooms that it can count on due to the uncertain situation regarding its premises.

There was a further fall in student numbers in 2021, although much less than in the previous year. One positive note was an increase in enrolments of new and beginners students. The fall in the total number of students resulted in a drop in receipts but this was largely offset by a modest increase in the fee charged per course and by a sharp increase in fees paid for exams. The Alliance managed to reduce its outgoings considerably, notably in respect of rent paid for the use of its premises and this meant that the large loss recorded in 2020 was much reduced. There was still a loss and one the Alliance will work to eliminate but it was only just over a fifth of that recorded the previous year. This can be seen as a reflection of the fact that both the Alliance and Society generally were learning to live with the Covid virus but it also reflects much hard work and adaptability shown by both teaching and administrative staff and the Directors wish to record their appreciation of that.

There are many uncertainties facing the Alliance but one important one is the position of its rented accommodation. As a result of the impact of the Covid pandemic, the Alliance, along with many other businesses, negotiated a reduction in rent. As part of the arrangement, the Alliance agreed to be ready to give up the occupancy of the first floor of its offices if and when the landlord found a new tenant. During the course of year 2021, there was one likely tenant for a part of the first floor and the Alliance was in discussions about its retaining the use of two rooms on that floor but the proposed deal with the new tenant fell through and the ongoing uncertainty about the Alliance premises continues. At present it occupies the ground floor of 125 Portland Street on a lease lasting until November 2026 and the first floor at that address on a temporary basis but with the obligation to move out of all or part of that floor at short notice.

The Alliance entered the period of Covid-related disruption in a strong financial position. The losses of the last two years have reduced the reserves of the Alliance but these remain substantial.

The introduction of post-Brexit rules has made it more difficult to recruit teachers or volunteers from France. It is now necessary to acquire a sponsorship licence, which has been done, and then to pay £555 for a visa and £624 per year for a health surcharge for any new teacher recruited from abroad. And the Alliance is limited to sponsoring no more than one teacher and two interns per year.

During the year, the Alliance acquired a new web-host and undertook a significant upgrading of its website. It is now possible for students to book and pay for courses on line. This has already saved much staff time.

Finally, in this section of the Report, we should note that, throughout the year, the Alliance maintained a strong cultural programme. The book club and the Ciné-club had full programmes, albeit entirely on-line, and these were well supported. In addition, there were a number of talks on a variety of topics.

PLANS FOR THE FUTURE

The Alliance is now operating in a period of great uncertainty and, although all Covid-related restrictions have been lifted, the incidence of the illness is still high and, for some people, that will affect their willingness to attend lessons in the classroom. In addition, economic forecasters are predicting a widespread drop in disposable income in 2022, which may affect willingness to spend on language learning. The uncertainty regarding the Alliance premises has already been mentioned.

The directors meet regularly to consider the various changes and developments affecting the life of the Alliance and to consider how best to respond to these. The managing director provides regular financial up-dates along with projections of likely future developments and these are discussed at the regular meetings of the Board.

FINANCIAL POSITION & RESERVES POLICY

Without the grant made by the French Government and the continued payment of the salary of the managing director, the deficit incurred would have been greater. The directors are grateful for this support but, having been aware, for a number of years, that this support had been declining and also that the costs of renting property in Central Manchester could be expected to increase, they had sought to build up solid reserves. This policy was justified when, in late 2016, the Alliance found itself obliged to move to new premises and was further justified when the Covid 19 pandemic occurred in 2020 with its serious financial implications. Reserves have now been depleted but remain sufficient to enable the Charity to continue its activities.

Losses on the scale of those made in 2019 and 2020 would have been unsustainable and they have now been substantially reduced but, clearly, the Alliance intends to return to a position of surplus as soon as possible. It will pursue a number of avenues to seek to improve its financial position; it will continue to work to promote awareness of its activities and seek to increase the number of students; it will continue to promote a range of cultural activities both on its own and in collaboration with others.

INVESTMENT POWERS AND POLICY

Under its governing document, the Alliance has powers to invest in any way the directors choose. For many years, interest rates have been exceptionally low but this situation appears to be changing: there were some modest rises in rates in late 2021 and more are expected. The directors continue to monitor relevant rates and remain ready to move funds in order to increase the interest earned.

DIRECTORS

The managing director, Xavier Lavry was appointed at the start of September 2019. The other directors, Derek Hall, Richard Harrington, Rachel Hayward, Joseph McGonagle, Guy Robson and Rodolphe Soulard, all served throughout the year.

Xavier Lavry is also the Coordinateur des Alliances Françaises in the United Kingdom. This position has no financial implications for the Alliance in Manchester but does give him knowledge of the experience of other Alliances in the UK which can only be of benefit to Manchester.

Rodolphe Soulard acts as honorary French consul in Manchester and the Alliance provides him with office space for two periods of two hours per week, for which he pays a rent of £50 per month.

The managing director is paid by the French foreign office. All other members of the Board serve in an honorary capacity and none received any remuneration in the year under review.

ALLIANCE FRANÇAISE DE MANCHESTER

REPORT OF THE TRUSTEES for the Year Ended 31 December 2021

RISK MANAGEMENT

As outlined above, the directors keep under review the risks that the Charity faces ; they continue to monitor the financial systems of the Alliance and also seek, as far as they are able, to keep under consideration other operational and business risks faced by the Charity.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Alliance Française de Manchester) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law governing charities 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

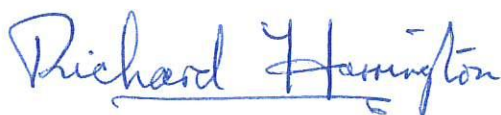
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records, they are also responsible for safeguarding the assets of the charitable entity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable independent examiners are unaware.

Approved by order of the board of trustees on 12 April 2022 and signed on its behalf by:



Richard Harrington
Director

ALLIANCE FRANCAISE DE MANCHESTER
REPORT OF THE TRUSTEES
for the Year Ended 31 December 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

D Hall FCA
G R J Robson
R Harrington
Dr J McGonagle
Rodolphe Soulard
Rachel Hayward
X Lavry

Independent Examining Accountant

CHW Accounting Limited
60 Bedford House
Chorley New Road
Bolton
BL1 4DA

Bankers

Drummond House (DO) Branch
Customer Service Centre,
Drummond House,
1 Redheughs Avenue
Edinburgh,
EH12 9JN

Solicitors

Davis Blank Furniss
90 Deasngate
Manchester
M3 2QJ

**INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF
ALLIANCE FRANCAISE DE MANCHESTER**

I report on the company for the year ended 31 December 2021, which are set out on pages 6 to 10.

Responsibilities and basis of report

As the charity's trustees, you are responsible for the preparation of the accounts.

Having satisfied myself that the charity is not subject to audit and is eligible for independent examination, it is my responsibility to:

- Examine the charities accounts carried out under section 145 of the 2011 Act
- Follow all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

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

- the accounts did 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.



Nicola Roby ACA FCCA
for and on behalf of CHW Accounting Limited
60 Bedford House
Chorley New Road
Bolton
BL1 4DA

Date: 24.03.2022.....

ALLIANCE FRANCAISE DE MANCHESTER**STATEMENT OF FINANCIAL ACTIVITIES**
for the Year Ended 31 December 2021

	Notes	31.12.21 Unrestricted Funds £	31.12.20 Unrestricted Funds £
INCOMING RESOURCES			
Incoming from activities in furtherance of the charity's objectives		298,417	312,401
Bank interest received		86	394
Grants received French government & other grants	1	<u>36,239</u>	<u>47,965</u>
Total Income		<u>334,742</u>	<u>360,760</u>
RESOURCES EXPENDED			
Cost of activities in furtherance of the Charity's Objects	2	(316,782)	(436,835)
<u>Other expenditures:</u>			
Marketing and publicity		(10,393)	(8,952)
Management and administration of the charity		<u>(31,268)</u>	<u>(31,525)</u>
Total resources expended		(358,443)	(477,312)
NET MOVEMENT IN FUNDS		<u>(23,701)</u>	<u>(116,552)</u>
Total funds brought forward at 1 January 2021		154,438	270,990
TOTAL FUNDS CARRIED FORWARD		<u>130,737</u>	<u>154,438</u>

CONTINUING OPERATIONS

All incoming resources and resources expended arise from charitable activities during the period.


ALLIANCE FRANCAISE DE MANCHESTER

BALANCE SHEET
At 31 December 2021

	Notes	31.12.21 £	31.12.20 £
FIXED ASSETS			
Tangible assets	3	2,729	15,105
CURRENT ASSETS			
Stock	6	-	1,280
Debtors	4	15,826	14,587
Cash at bank and in hand		<u>134,331</u>	<u>164,307</u>
		150,157	180,174
CREDITORS			
Amounts falling due within one year	5	(22,149)	(40,841)
NET CURRENT ASSETS		<u>128,008</u>	<u>139,333</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>130,737</u>	<u>154,438</u>
FUNDS	7		
Unrestricted funds		<u>130,737</u>	<u>154,438</u>

The financial statements were approved by the Board of Trustees on ...12.4.22.....and were signed on its behalf by:


Richard Harrington
Director


Xavier Lavry
Director

ALLIANCE FRANCAISE DE MANCHESTER

NOTES TO THE FINANCIAL STATEMENTS **for the Year Ended 31 December 2021**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)',

Assessment of going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income

Income represents enrolment and tuition fees receivable by the company for services provided unless they relate to a future period in which case they are deferred.

Grant receivable

Grants are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specific future period in which case they are deferred.

Expenditure

Expenditure which is charged on an accruals basis is allocated between:

- Expenditure incurred directly to the fulfilment of the charity's objectives
- Expenditure incurred directly in the effort to market the charity
- Expenditure incurred in the management and administration of the charity

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation which is provided in annual instalments over the estimated useful lives of the assets.

Small items of equipment and furniture are not capitalised but are written off on acquisition through the income and expenditure accounts.

Depreciation is provided at the following annual rates:

Leasehold improvements	10%
Fixture and fittings	25%
Office equipment	25%
Computer equipment	33%

Stock

Stocks are stated at the lower of cost or net realisable value.

ALLIANCE FRANCAISE DE MANCHESTER**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**
for the Year Ended 31 December 2021**1. GRANTS RECEIVED**

	31.12.21	31.12.20
	£	£
French government and other grants	<u>36,239</u>	<u>47,965</u>

2. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff cost £	Other £	Depreciation £	Total £
<u>Direct charitable</u>				
Teaching	216,909	87,081	12,697	316,687
Cultural		95		95
<u>Other expenditure</u>				
Marketing		10,393		10,393
Management & administration of charity		31,268		31,268
	<u>216,909</u>	<u>128,837</u>	<u>12,697</u>	<u>358,443</u>

3. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixture & Fittings £	Computer equipment £	Totals £
COST				
At 1 January 2021	116,946	40,297	27,653	184,896
Additions			121	121
At 31 December 2021	<u>116,946</u>	<u>40,297</u>	<u>27,774</u>	<u>185,017</u>
DEPRECIATION				
At 1 January 2021	102,603	40,297	26,891	169,791
Charge for year	<u>11,695</u>	<u>-</u>	<u>802</u>	<u>12,497</u>
At 31 December 2021	<u>114,298</u>	<u>40,297</u>	<u>27,693</u>	<u>182,288</u>
NET BOOK VALUE				
At 31 December 2021	<u>2,648</u>	<u>-</u>	<u>81</u>	<u>2,729</u>
At 31 December 2020	<u>14,343</u>	<u>-</u>	<u>762</u>	<u>15,105</u>

ALLIANCE FRANCAISE DE MANCHESTER**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**
for the Year Ended 31 December 2021**4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.21	31.12.20
	£	£
Prepayments and accrued income	15,518	14,587
Other debtors	<u>308</u>	<u>-</u>
	<u>15,826</u>	<u>14,587</u>

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21	31.12.20
	£	£
Trade creditors	543	4,340
Delegation Generale	603	603
Accruals and deferred income	2,900	23,640
Other creditors	<u>18,103</u>	<u>12,258</u>
	<u>22,149</u>	<u>40,841</u>

6. STOCK

	31.12.21	£ 31.12.20
Stock of education materials	-	<u>1,280</u>

7. UNRESTRICTED FUND

	31.12.21	31.12.20
	£	£
At 1 January 2021	154,438	270,990
Profit/(Deficit) for the year	<u>(23,701)</u>	<u>(116,552)</u>
At 31 December 2021	<u>130,737</u>	<u>154,438</u>

8. RELATED PARTY DISCLOSURES

The French government which sponsors this company has made grants totalling £31,979 (2020:£31,663) towards operational costs.

ALLIANCE FRANCAISE DE MANCHESTER**INCOME & EXPENDITURE ACCOUNT**
for the Year Ended 31 December 2021

	31.12.21	31.12.20
	£	£
Income		
Fees receivable	298,417	312,401
Grant receivable	36,239	47,965
Bank interest received	86	394
	<u>334,742</u>	<u>360,760</u>
 Cost of sales		
Opening stock	1,280	2,954
Education materials	511	5,574
Closing stock	(-)	(1,280)
	<u>1,791</u>	<u>7,248</u>
 Gross Profit	<u>332,951</u>	<u>353,512</u>
 Expenditure		
Investment in cultural events	95	25
Examination fees	13,549	5,688
Salaries	216,909	221,416
Administration subsistence	1,079	348
Cleaning	6,277	8,386
Rent and service charges	59,481	109,653
Rates and council tax	11,785	5,288
Telephone	4,420	5,005
PPS	3,365	3,363
Advertising and marketing	10,393	8,951
Repairs and maintenance	282	541
Computer software	2,679	3,590
Accountancy	2,950	2,800
Insurance and security	3,789	3,753
Depreciation	12,497	78,044
Bank charges	2,393	2,858
Library	93	43
Translations	694	1,445
Hire of equipment	2,673	2,867
Consultancy	1,249	6,000
	<u>356,652</u>	<u>470,064</u>
 Net Profit/(Deficit) for the year	<u>(23,701)</u>	<u>(116,552)</u>