

**THE ISSMGE FOUNDATION
TRUSTEES' ANNUAL REPORT
AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

Charity No: 1153795

THE ISSMGE FOUNDATION

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THE ISSMGE FOUNDATION

COMPANY INFORMATION

CHARITY NUMBER: 1153795

REGISTERED OFFICE: ISSMGE Foundation
c/o ISSMGE,
City, University of London
Northampton Square
London
EC1V 0HB

TRUSTEES: Prof. MCR Davies (Chair)
Prof. RN Taylor
Prof MB Jaksa
Mme V Bernhardt

INDEPENDENT EXAMINERS: Sargent & Co
Chartered Accountants
& Registered Auditors
219 Croydon Road
Caterham
Surrey
CR3 6PH

BANKERS: Barclays Bank PLC
38 Islington Green
London
N1 8EH

INVESTMENT MANAGERS Tilney Investment Management Ltd
17th Floor
6 New Street Square
New Fetter Lane
London
EC4A 3BF

THE ISSMGE FOUNDATION

TRUSTEES' REPORT

The Trustees present their annual report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Foundation's Constitution, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to UK and Republic of Ireland (FRS102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The principal objects of The ISSMGE Foundation is the advancement of education and training in the field of Geotechnical Engineering and its applications for the public benefit.

The Trustees have considered the guidelines issued by the Charities Commission relating to public benefit and are satisfied that the charity confers a public benefit. The ISSMGE Foundation exists to enhance the training, education and professional development of geotechnical engineers by providing financial assistance so that awardees may attend conferences and other meetings, and present their research, attend state-of-the art lectures, and otherwise enhance their personal, academic, and professional network.

ACHIEVEMENTS AND PERFORMANCE

The main purpose of the Foundation is to facilitate attendance at conferences and as a result of the travel restrictions arising from the pandemic, the Foundation's activities have been severely curtailed. The Foundation would support applicants who want to participate in online or virtual conferences but these usually incur only a relatively small registration fee, and no other expenses. Feedback from successful awardees whose events have been suspended suggest that they would rather wait until in-person events restart. It would be reasonable to think that the same applies to potential applicants – i.e. they are possibly holding back until face-to-face conferences restart.

As a result of the pandemic therefore, the number of applications to the ISSMGE Foundation fell dramatically. During this period, the Trustees considered a total of 5 applications (46 in 2019), all of which were successful. As at the end of 2020, a total of GBP4,384 was paid out (GBP31,289 in 2019), whilst USD7,800 is yet to be paid (for the most part relating to events that have been postponed to 2021). All awards completed in 2020 related to the Geo-Congress conference in the USA in February 2020, and all awardees were Indian nationals.

The intention of the ISSMGE Foundation is to continue making awards to enable geotechnical engineers to be able to attend conferences (either in-person or online) and take part in other activities to further their education in this field.

FINANCIAL REVIEW

Funds of £41,000 held by the International Society for Soil Mechanics and Geotechnical Engineering (ISSMGE) were donated to the charity during the previous year however none have been donated in 2020. Awards were made during the year of £4,384 (2019 – GBP31,289 and the Foundation now has total funds available of £576,273 (2019 – GBP554,771) as a result of unrealised gains on its investment portfolio enabling it to continue to carry out its charitable functions.

At the year end, the charity had an expendable endowment fund containing its investment portfolio and all other funds were unrestricted. The unrestricted funds were held as cash deposits.

THE ISSMGE FOUNDATION
TRUSTEES' REPORT (Continued)

INVESTMENT POLICY

Under the Constitution the charity has the power to make investments as the trustees see fit. The trustees appointed Tilney Investment Management Services Ltd in June 2019 to act and manage the Foundations investment portfolio.

RESERVES

In making the investment, the Trustees felt that the then reserves along with potential ISSMGE support would be sufficient to continue the awards policy. This is perhaps best illustrated by the table below, which highlights the cyclical nature of the number of awards considered (even when ignoring the data for 2020 as being very atypical):

	2017	2018	2019	2020
Africa	6824	1300	3,807	
Asia	15303	6391	10,617	4,384
Australasia	1161		1,216	
Europe	10555	2472	12,507	
North America	1163	2320	1,173	
South America	1447	715	1,969	
Total	36,453	13,198	31,289	4,384
no. successful awards	35	13	35	4
average award (GBP)	1042	1015	978	1,096

This indicates that in the year of the quadrennial International conference (2017) and Regional Conferences (2019), applications pick up markedly. Also, interestingly, the average award changes little (approx. £1000 or \$1300), though the value of average award in sterling will vary according to the exchange rates applicable at the time of the payment.

In 2020, the Foundation only considered six applications. This is clearly a result of the pandemic and the fact that practically all events (conferences, symposia, etc) have been either cancelled or postponed, or being moved online. It is envisaged that for the next year or so the reserves will be adequate for the needs of the Foundation.

The policy of the trustees is, in the long-term, to build up the reserves and to make suitable investments so as to enable the Foundation to make awards from the income earned.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The ISSMGE Foundation is constituted as a Charitable Incorporated Organisation and is governed by its CIO Constitution. The company information set out on page 1 forms part of this report.

The Trustees meet once or twice per year, in person or online and oversee the management of the charity. Decisions concerning strategy, policy and development are discussed electronically as required.

In the future and as the Foundation develops, the Trustees may find it necessary to name additional trustees. New trustees must be members of the International Society for Soil Mechanics and Geotechnical Engineering (ISSMGE) and may be recruited from the ISSMGE Membership, from its own (past) beneficiaries, or from other independent institutions, depending on the needs arising and skills and experience required to consolidate the activities of the Foundation.

Professor Taylor is also in charge of the day-to-day management; the ISSMGE Foundation does not have salaried staff members. Administrative support is provided by the ISSMGE itself.

THE ISSMGE FOUNDATION
TRUSTEES' REPORT (Continued)

TRUSTEES

The trustees who served as trustees of the Foundation during the year and up to the date of this report are as follows:

Prof. MCR Davies (Chair)
Prof. RN Taylor
Prof MB Jaksa
Mme V Bernhardt

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing any trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom generally accepted accounting practice).

The trustees are required by law to prepare financial statements for each financial year which give a true and fair view of the financial activities of the charity and the incoming resources and application of resources of the charity for that period. In preparing the 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 that are reasonable and prudent
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in operation

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity. 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 are also responsible for providing reasonable assurance that the charity is operating efficiently and effectively, the assets are safeguarded against unauthorised use or disposition, proper records are maintained and financial information used in the charity or for publication is reliable, the charity complies with its Constitution and relevant laws and regulations and the charity has actively pursued all of its objectives and policies throughout the year.

This report was approved by the Trustees on 15 May 2021 and signed on its behalf by:


.....
Prof. R N Taylor - Trustee

THE ISSMGE FOUNDATION
INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES
OF THE ISSMGE FOUNDATION

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2020 which are set out on pages 6 to 11.

Responsibilities and basis of report

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

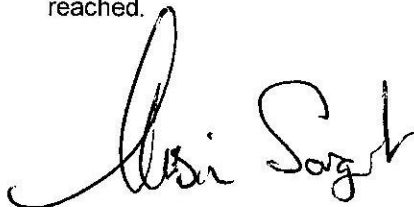
I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

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



Alison Sargent FCA
Sargent & Co
Chartered Accountants & Registered Auditors
219 Croydon Road
Caterham
Surrey CR3 6PH

Date: 19 May 2021

THE ISSMGE FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020
SUMMARY INCOME AND EXPENDITURE ACCOUNT

	Notes	Endowment Fund £	Unrestricted Funds £	Total Funds 2020 £	Total Funds 2019 £
<u>INCOME</u>					
Donations	4	-	-	-	41,000
Income from investment portfolio		6,848	-	6,848	2,200
Bank Interest		-	-	-	576
Total incoming resources		<u>6,848</u>	<u>-</u>	<u>6,848</u>	<u>43,776</u>
<u>EXPENDITURE</u>					
<i>Costs of raising funds:</i>					
Investment management fees		4,597	-	4,597	1,584
<i>Expenditure on Charitable activities:</i>					
Awards made	5	-	4,384	4,384	31,289
Bank Charges		-	68	68	664
Total expenditure		<u>4,597</u>	<u>4,452</u>	<u>9,049</u>	<u>33,537</u>
NET INCOME/DEFICIT BEFORE RECOGNISED GAINS		2,251	(4,452)	(2,201)	10,237
Net gain/(losses) on investments		23,703	-	23,703	6,868
Transfer between funds		-	-	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		25,954	(4,452)	21,502	17,107
TOTAL FUNDS BROUGHT FORWARD		<u>507,484</u>	<u>47,287</u>	<u>554,771</u>	<u>537,664</u>
TOTAL FUNDS CARRIED FORWARD		<u>533,438</u>	<u>42,835</u>	<u>576,273</u>	<u>554,771</u>

All amounts derive from continuing activities.

The notes on pages 8 to 11 form part of these financial statements.

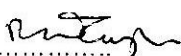
THE ISSMGE FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	Endowment Fund	Unrestricted Funds	2020 £	2019 £
FIXED ASSETS					
Investments	7	<u>533,438</u>	<u>-</u>	<u>533,438</u>	<u>507,484</u>
CURRENT ASSETS					
Bank balances		-	42,835	42,835	47,287
LIABILITIES					
Creditors falling due within one year	8	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CURRENT ASSETS		<u>-</u>	<u>42,835</u>	<u>42,835</u>	<u>47,287</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>533,438</u>	<u>42,835</u>	<u>576,273</u>	<u>554,771</u>
 <u>FUNDS OF THE CHARITY</u>					
Unrestricted Funds				42,835	47,287
Endowment Fund				<u>533,438</u>	<u>507,484</u>
TOTAL CHARITY FUNDS				<u>576,273</u>	<u>554,771</u>

These financial statements were approved by the Board of Trustees on 13 May 2021 and signed on their behalf by:


Prof. R N Taylor - Trustee

The notes on pages 8 to 11 form part of these financial statements.

THE ISSMGE FOUNDATION

NOTES TO THE ACCOUNTS TO 31 DECEMBER 2020

1. ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) (Charities SORP (FRS102)) and the Reporting Standard applicable in the UK and Republic of Ireland (FRS102), and the Charities Act 2011.

The Foundation meets the definition of a public benefit entity under FRS102. Assets and liabilities are recognised at historical cost or transaction value on a going concern basis.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The financial statements are therefore prepared on a going concern basis under the historical cost convention modified to include quoted investments at market value.

The financial statements are presented in sterling which is the functional currency of the Foundation.

(b) Income

Income is recognised when the Foundation has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donations are accounted for as received by the foundation. No permanent endowments were received in the period.

Investment income is recognised once the dividend or interest has been declared and notification has been received of the amount due. This is normally upon notification by our investment manager of the dividend yield of the investment portfolio.

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

(c) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Awards are all made to individuals and accounted for when approved by the trustees and relate to conferences attended in the accounting year. Any awards approved by the trustees relating to conferences in the following year are included in the accounts relating to that year.

Governance and other administrative costs are met by the International Society for Soil Mechanics and Geotechnical Engineering (ISSMGE). See note 8 for further information.

(d) Fixed Asset Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date. The Statement of Financial Activities includes net gains and losses arising on revaluation and disposals throughout the year net of investment management costs.

THE ISSMGE FOUNDATION

NOTES TO THE ACCOUNTS TO 31 DECEMBER 2020 (Continued)

1. ACCOUNTING POLICIES (Contd)

(d) **Fixed Asset Investments (contd)**

The portfolio investments are valued using the closing quoted market price given to the charity by investment advisers.

(e) **Realised Gains and Losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

(f) **Accumulated Funds**

The funds of the charity consist of an expendable Endowment Fund and Unrestricted Funds. The unrestricted funds comprise funds which are freely available for use by the Foundation.

The expendable Endowment fund was set up by the trustees from donations given to the Foundation in order to generate income which can then be used for the purposes of the Charity. Funds will be drawn down from this fund as required.

(g) **Bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of 3 months or less from the date of acquisition or opening of the deposit or similar account.

(h) **Creditors**

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

2. LEGAL STATUS OF THE TRUST

The ISSMGE Foundation is a charitable incorporated organisation and is governed by its CIO constitution. The registered office is c/o City, University of London, Northampton Square, London EC1V 0HB.

3. TAXATION

The ISSMGE Foundation is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

THE ISSMGE FOUNDATION

NOTES TO THE ACCOUNTS TO 31 DECEMBER 2020 (Continued)

4.	<u>DONATIONS</u>	<u>2020</u>	<u>2019</u>
		£	£
	Donation from ISSMGE	-	41,000
	Other Donations	-	-
		-	<u>41,000</u>
5.	<u>AWARDS MADE</u>		
	Awards were all payable to individuals to enable them to attend various courses of education and training in the field of geotechnical engineering.		
		<u>2020</u>	<u>2019</u>
		£	£
	Awards made	<u>4,384</u>	<u>31,289</u>
6.	<u>TRUSTEES REMUNERATION AND EXPENSES</u>		
	The Charity's trustees were not paid or received any other benefits from the Foundation in the year (2019 - £Nil) neither were they reimbursed expenses during the year (2019 - £Nil). No charity trustee received payment for professional or other services supplied to the charity (2019 - £Nil).		
7.	<u>FIXED ASSET INVESTMENTS</u>	<u>2020</u>	<u>2019</u>
		£	£
	At 1 January 2020	507,484	-
	Additions during the year	-	500,000
	Income retained	6,848	2,200
	Realised gains	164	504
	Net gain on revaluations	23,539	6,363
	Investment management fees	<u>(4,597)</u>	<u>(1,584)</u>
	At 31 December 2020	<u>533,438</u>	<u>507,484</u>
8.	<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	<u>2020</u>	<u>2019</u>
		£	£
	Other creditors re awards payable	-	-

THE ISSMGE FOUNDATION

NOTES TO THE ACCOUNTS TO 31 DECEMBER 2020 (Continued)

9. RELATED PARTIES

Certain expenditure amounting to £2,161 (2019 - £2,032) was paid by the ISSMGE during the year ended 31 December 2020 to ensure that all the donations in the Foundation will be utilised for the purposes given. The expenditure related to the Independent Examination of the Foundation's accounts to 31 December 2019 of £1,680 (2018 - £1,440) and other ongoing administrative and governance costs including trustee insurance and payment to the American Fund for Charities.

10. CONTINGENT LIABILITIES

Awards of USD7800 had been approved at the year end relating to attending conferences that are now scheduled to take place in 2021. As these related to future conferences no amounts have been included in these accounts.