

**THE ISSMGE FOUNDATION
TRUSTEES' ANNUAL REPORT
AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022**

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 Dr A McNamara Dr C Menkiti
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	Evelyn Partners 45 Gresham Street London EC2B 7BG

THE ISSMGE FOUNDATION

TRUSTEES' REPORT

The Trustees present their annual report and financial statements for the year ended 31 December 2022.

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 are 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 uncertainty regarding travel arising from the pandemic, the Foundation's activities remain curtailed during 2022.

As a result, the number of applications to the ISSMGE Foundation remains low compared to pre-Covid times, though indications are that this is changing. During the 2022 period, the Trustees considered a total of 21 applications (7 in 2021, 5 in 2020, 46 in 2019), 19 of which were ultimately successful.

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 GBP100,000 held by the International Society for Soil Mechanics and Geotechnical Engineering (ISSMGE) were donated to the charity during the year (2021 - GBP40,000). Awards were made during the year of GBP2,905 (2021 – GBP2,905) and the Foundation now has total funds available of £694,790 (2021 – GBP655,042) 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.

INVESTMENT POLICY

The trustees appointed Tilney Investment Management Services Ltd in June 2019 to create and manage the Foundation's investment portfolio. In September 2022, Tilney merged with Smith & Williamson, and a name change was announced in early 2022 – Evelyn Partners. As of December 2022, the portfolio was showing lower than expected growth, a not unexpected reflection of a tumultuous year and its impact on financial markets.

THE ISSMGE FOUNDATION

TRUSTEES' REPORT (Continued)

RESERVES

On selecting the Investment Portfolio, 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 (ignoring the data for both 2020 and 2021 as being very atypical).

TOTAL PAYMENTS PER REGION

	2017	2018	2019	2020	2021	2022
Africa	6,824	1,300	3,807			4,347
Asia	15,303	6,391	10,617	4,384	1,895	6,404
Australasia	1,161		1,216		295	
Europe	10,555	2,472	12,507			5,092
North America	1,163	2,320	1,173		675	808
South America	1,447	715	1,969		40	747
Total	36,453	13,198	31,289	4,384	2,905	17,398
no. successful awards	35	13	35	4	6	15
average award (GBP)	1,042	1,015	978	1,096	485	1,160

The table indicates that in the year of the quadrennial International Conference (2017 & 2022) and Regional Conferences (2019), applications pick up markedly. Also, interestingly, the average award paid out for in-person attendance at a conference 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 2022, the Foundation received 21 applications (compared to just 7 in 2021). At the end of 2022, a total of GBP17,398 was paid out (GBP2,905 in 2021, GBP4,384 in 2020, GBP31,289 in 2019), with 5 awards to the value of USD6,500 still to be claimed for events to take place in 2023. Current reserves will be more than adequate for the needs of the Foundation for the next 4 years.

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.

THE ISSMGE FOUNDATION

TRUSTEES' REPORT (Continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (Contd)

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.

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

Subsequent to the year-end Dr A McNamara and Dr C Menkiti were appointed trustees on 25 April 2023.

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 16 May 2023 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 2022 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: 21 May 2023

THE ISSMGE FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

SUMMARY INCOME AND EXPENDITURE ACCOUNT

	Notes	Endowment Fund £	Unrestricted Funds £	Total Funds 2022 £	Total Funds 2021 £
<u>INCOME</u>					
Donations	4	-	100,000	100,000	40,000
Income from investment portfolio		5,049	-	5,049	5,830
Bank Interest		-	-	-	-
Total incoming resources		<u>5,049</u>	<u>100,000</u>	<u>105,049</u>	<u>45,830</u>
<u>EXPENDITURE</u>					
<i>Costs of raising funds:</i>					
Investment management fees		4,980	-	4,980	5,017
<i>Expenditure on Charitable activities:</i>					
Awards made	5	-	17,398	17,398	2,905
Bank Charges		-	229	229	93
Total expenditure		<u>4,980</u>	<u>17,627</u>	<u>22,607</u>	<u>8,015</u>
NET INCOME/DEFICIT BEFORE RECOGNISED GAINS		69	82,373	82,442	37,815
Net gain/(losses) on investments		(42,694)	-	(42,694)	40,954
Transfer between funds		-	-	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		(42,625)	82,373	39,748	78,769
TOTAL FUNDS BROUGHT FORWARD		<u>575,205</u>	<u>79,837</u>	<u>655,042</u>	<u>576,273</u>
TOTAL FUNDS CARRIED FORWARD		<u>532,580</u>	<u>162,210</u>	<u>694,790</u>	<u>655,042</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 2022

	Notes	Endowment Fund	Unrestricted Funds	2022 £	2021 £
FIXED ASSETS					
Investments	7	<u>532,580</u>	<u>-</u>	<u>532,580</u>	<u>575,205</u>
CURRENT ASSETS					
Bank balances		-	162,210	162,210	79,837
LIABILITIES					
Creditors falling due within one year	8	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CURRENT ASSETS		<u>-</u>	<u>162,210</u>	<u>162,210</u>	<u>79,837</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>532,580</u>	<u>162,210</u>	<u>694,790</u>	<u>655,042</u>

FUNDS OF THE CHARITY

Unrestricted Funds	162,210	79,837
Endowment Fund	<u>532,580</u>	<u>575,205</u>
TOTAL CHARITY FUNDS	<u>694,790</u>	<u>655,042</u>

These financial statements were approved by the Board of Trustees on 16 May 2023 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 2022

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 9 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 2022 (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 2022 (Continued)

4.	<u>DONATIONS</u>	<u>2022</u> £	<u>2021</u> £
	Donation from ISSMGE	100,000	40,000
	Other Donations	-	-
		<u>100,000</u>	<u>40,000</u>

5. **AWARDS MADE**

Awards were all payable to individuals to enable them to attend various courses of education and training in the field of geotechnical engineering.

	<u>2022</u> £	<u>2021</u> £
Awards made	<u>17,398</u>	<u>2,905</u>

6. **TRUSTEES REMUNERATION AND EXPENSES**

The Charity's trustees were not paid or received any other benefits from the Foundation in the year (2021 - £Nil) neither were they reimbursed expenses during the year (2021 - £Nil). No charity trustee received payment for professional or other services supplied to the charity (2021 - £Nil).

7. **FIXED ASSET INVESTMENTS**

	<u>2022</u> £	<u>2021</u> £
At 1 January 2022	575,205	533,438
Additions during the year	-	-
Income retained	5,049	5,830
Realised gains	2,553	4,849
Net gain/loss on revaluations	(45,247)	36,105
Investment management fees	<u>(4,980)</u>	<u>(5,017)</u>
At 31 December 2022	<u>532,580</u>	<u>575,205</u>

8. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>2022</u> £	<u>2021</u> £
Other creditors re awards payable	<u>-</u>	<u>-</u>

THE ISSMGE FOUNDATION

NOTES TO THE ACCOUNTS TO 31 DECEMBER 2022 (Continued)

9. RELATED PARTIES

Certain expenditure amounting to £2,021 (2021 - £1,971) was paid by the ISSMGE during the year ended 31 December 2022 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 2021 of £1,320 (2020 - £1,680) and other ongoing administrative and governance costs including trustee insurance.

These costs will continue to be met by the ISSMGE for the 2022 Independent Examination.

10. CONTINGENT LIABILITIES

Awards of USD6,500 had been approved at the year-end relating to attending conferences that are scheduled to take place in 2023. As these related to future conferences no amounts have been included in these accounts.