

**Company Registration No: 01157249 (England and Wales)**

**Charity No: 267026**

**THE INSTITUTE OF ACOUSTICS LIMITED  
(A Company limited by guarantee  
and not having a Share Capital)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER 2019**

**Faulkner House  
Victoria Street  
St Albans  
Herts AL1 3SE**

**RAYNER ESSEX LLP  
CHARTERED ACCOUNTANTS**

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**THE INSTITUTE OF ACOUSTICS LIMITED**  
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**LEGAL AND ADMINISTRATIVE INFORMATION**  
**FOR THE YEAR ENDED 31ST DECEMBER 2019**

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<b>Constitution</b>	The Institute of Acoustics is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.	
	The company is a registered charity governed by its Memorandum and Articles of Association, last revised June 2013, which establishes the objects and powers of the charitable company.	
<b>Trustees</b>	C D Goodhand (resigned 13 May 2019) P Lowery (resigned 13 May 2019) H Notley (resigned 13 May 2019) R Watson (resigned 13 May 2019) C Barlow (appointed 13 May 2019) B Fenech (appointed 13 May 2019) C J Hurst (appointed 13 May 2019) A Lamacraft (appointed 13 May 2019)	
	B M Gibbs J Hill K R Holland P A Lepper M R Lester G Parry	J R Richardson P J Rogers E Shanks V Stewart S W Turner D Wallis L J Webb
<b>President</b>	B M Gibbs	
<b>Secretary</b>	A Chesney	
<b>Honorary Treasurer</b>	M R Lester	
<b>Honorary Secretary</b>	J R Richardson	
<b>Company Number</b>	01157249	
<b>Charity Number</b>	267026	
<b>Registered and Principal Office</b>	Silbury Court 406 Silbury Boulevard Milton Keynes MK9 2AF	
<b>Auditors</b>	Rayner Essex LLP Faulkner House Victoria Street St Albans Herts AL1 3SE	
<b>Solicitors</b>	Pictons Solicitors LLP 28 Dunstable Road Luton Bedfordshire LU1 1DY	
<b>Bankers</b>	Lloyds TSB Plc Knightsbridge Branch 9-13 Brompton Road London SW3 1DD	

**THE INSTITUTE OF ACOUSTICS LIMITED**  
**(A Company limited by guarantee and not having a Share Capital)**

**TRUSTEES ANNUAL REPORT FOR THE PURPOSES OF SECTION 162 OF THE CHARITIES ACT 2011 AND DIRECTORS' REPORT FOR THE PURPOSE OF SECTION 415 OF THE COMPANIES ACT 2006**

**FOR THE YEAR ENDED 31ST DECEMBER 2019**

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The trustees present their report and the independently audited financial statements of the charity for the year ended 31 December 2019. This report is the Directors' Report required by s417 of the Companies Act 2006.

The legal and administrative information set out on page 2 forms part of this report. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting: 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 (FRS102) (effective 1 January 2015).

### **Structure, Governance and Management**

#### Recruitment and Appointment of Trustees

The directors of the charitable company are its trustees for the purpose of charity law and throughout this report are collectively referred to as trustees.

Trustees are elected at the Annual General Meeting and shall hold office for a period of two years. The trustees are eligible for re-election at the end of the two year period, up to an additional four years (up to six years if up to six years are in an Honorary position).

Due to the nature of the Institute's objectives the trustees seek to ensure that the trustees either have a related qualification or are working within the acoustics sector. The trustees believe that by appropriately reflecting their members in the make up of the board of trustees that this gives the Institute and its staff an enhanced understanding of the members' requirements.

#### Trustee induction and training

Most trustees are already familiar with the practical work of the Institute. Additionally new trustees are invited and encouraged to meet with specific trustees to discuss and familiarise themselves with the Institute and the context in which it operates. This includes the future plans and objectives of the Institute.

#### Risk management

The trustees regularly review an assessment of the risks to which the Institute is exposed, particularly business, operational and financial risks, and introduce procedures and reporting regimes to manage and reduce the identified risks.

#### Organisational structure

The Institute of Acoustics is a registered charity and is constituted as a company, limited by guarantee. Its objects and powers and other constitutional matters are set out in its Memorandum and Articles of Association. It is governed by a Board of Trustees who are responsible for setting the strategic direction of the organisation and for establishing policy. A scheme of delegation is in place for the day to day running of the charity.

The Institute is the professional body representing acoustics in the United Kingdom, and provides a range of services for members.

### **Objectives and Activities**

The Institute's principal objectives are:

- **Education**

The Institute administers its own Diploma in Acoustics and Noise Control together with Certificates in Workplace Noise Assessment, Environmental Noise Measurement, the Measurement of Sound Transmission within Buildings, the Management of Occupational Exposure to Hand Arm Vibration and Certificate of Proficiency in Anti-Social Behaviour etc (Scotland) Act 2004 - Noise Measurements. Courses are held at regular intervals at Centres throughout the country. In addition, the Diploma in Acoustics and Noise Control is available by tutored distance learning.

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**TRUSTEES ANNUAL REPORT FOR THE PURPOSES OF SECTION 162 OF THE CHARITIES ACT 2011 AND DIRECTORS' REPORT FOR THE PURPOSE OF SECTION 415 OF THE COMPANIES ACT 2006**

**FOR THE YEAR ENDED 31ST DECEMBER 2019**

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**Objectives and Activities (continued)**

- **Conferences and Meetings**  
A substantial annual programme of technical conferences and meetings takes place, which have an international flavour. In addition there are many one-day meetings together with evening meetings organised by the Specialist Groups and Regional Branches.
- **Publications**  
'Acoustics Bulletin' is published bi-monthly and carries articles of professional, academic and technical interest. A Register of Members is available on the IOA website. Proceedings record the papers presented at the Institute's Annual Conference, Reproduced Sound and Underwater Acoustics conferences held during the year. A well-stocked Library is available to members and the Institute's Web Site is a regularly updated source of information.
- **Engineering Council**  
As a nominated body of the Engineering Council the Institute can award Chartered Engineer and Incorporated Engineer status to suitably qualified members.
- **International**  
The Institute is a member of the International Institute of Noise Control Engineering (I/INCE), the European Acoustics Association (EAA) and the International Congress of Sound and Vibration (ICSV). The Institute hosted ICSV24 Conference in London in 2017.
- **Future Development**  
Future development of the Institute will focus on promoting the profession and acoustics, providing advice related to acoustics, supporting the professional development needs of members, increasing membership, developing the education facilities and promoting acoustics in education and maintaining and extending present activities.

**Achievements and Performance**

The Institute has continued to serve the interests of its members through its established programmes in the areas of education, professional development, meetings and publications, and by providing representation in areas such as the Engineering Council, Standardisation and International affairs. Strategic development of the Institute continued to be a priority and various actions were implemented.

The Trustees confirm that in the exercise of their powers as charity trustees, they have had due regard to the published guidance from the Charities Commission on the operation of the public benefit requirements and the aims of the charity are carried out for the public benefit.

During the year:

- The Institute was developing its online presence using the new facilities in the Milton Keynes Office. The improved video conferencing facilities have significantly increased the quality of online meetings, encouraging more members to join meetings online increasing attendances. The system has also enabled the development of the Moodle for students and the storage of online resources for students. Videos are being made of the diploma course to enhance distance learning. The first videos have been warmly reviewed by students and the new course materials go live in 2020.
- Four short videos were produced and placed on the website to promote the work of the Institute.
- A rebranding of the Institute print media and website has completed during the year. The upgraded website and new designs will be launched early in 2020.

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**FOR THE YEAR ENDED 31ST DECEMBER 2019**

- The diploma course continues to be popular with 91 candidates passing during the year. Another 191 candidates passed other courses offered by the Institute.
- Eleven candidates presented themselves for the CEng Professional Review Interview, of whom two were 'Standard Route' candidates, holding accredited degrees, and eight were 'individual route' candidates with diverse backgrounds. Their areas of employment were equally diverse-aerospace engineering, architectural and building acoustics, and naval noise and vibration engineering. One candidate, holding a MEng in Acoustical Engineering from University of Southampton, was elected IEng. Ten candidates were successful and one was invited to submit further evidence.
- The Diploma in Acoustics and Noise Control is now in its seventh year since extensive revision in 2008. During the year 98 students were awarded the Diploma with 263 students passing other courses offered by the Institute.
- Membership has been increased to 3,031.
- The Institute is represented internationally through the following members: Paul Lepper (EAA General Secretary) James Talbot (Director, IIAV), Maria Heckl (Director IIAV), Jo Webb (ICA Board), Rupert Thornely-Taylor (Secretary, IIAV) and Barry Gibbs (I-INCE)
- The Institute has retained its membership of the Parliamentary and Scientific Committee and has secured the February meeting in 2020 to be on Noise.
- Members have delivered 4 'You're Banned' acoustic workshop for presentation to schools.
- The Institute continues to engage with a number of government departments (DfE, DCLG, Defra and DECC) to influence future policies affecting acoustics.

**Financial Review**

The financial statements have been prepared in accordance with the Companies Act 2006 the Statement of Recommended Practice: Accounting and Reporting by Charities (issued March 2005), FRS102 and the Institute's governing document.

The statement of financial activities shows that incoming resources exceeded resources expended by £126,358 (2018: £9,167). The balance sheet indicates that total funds of the charity were £1,554,910 (2018: £1,428,552) of which all funds were unrestricted funds (2018: All funds unrestricted). These were represented by tangible fixed assets of £345,685 (2018: £239,239) and other net assets of £1,209,225 (2018: £1,189,313).

Investment policy

Other than retaining a level of funds to meet the reserve policy of the Institute, most of the funds are to be utilised in meeting the main objectives of the Institute. The trustees do not believe it to be prudent to utilise the funds in long term investments and instead have decided to invest the available funds in short-term bank deposit accounts to ensure the liquidity of these funds. As available funds increase over and above the amount required by the reserve policy the trustees will review the investment policy to ensure that the returns the Institute receives is maximised whilst not detracting funds from its main objectives.

Reserves policy

The trustees have adopted a reserves policy that they consider appropriate to ensure the continued ability of the Institute to meet its objectives in the light of the predominant risks to the organisation.

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**FOR THE YEAR ENDED 31ST DECEMBER 2019**

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The target reserves are based on continuing operations for one year having had a 25% reduction in membership and having sufficient funds to ensure Diploma students' courses are maintained for two years. At 31 December 2019 the target was approximately £640,000, with a minimum reserve of £393,000, and the free reserves excluding fixed assets were £1,209,225 (2018: £1,189,313).

The trustees have agreed a business plan to ensure that the appropriate level of reserves will be maintained into the future.

**Plans for Future Periods**

The Institute is looking at continuing to develop its provision of education and the diploma courses that are run so that they are continually held with high regard within the sector. This will include the introduction of a learning platform to enable better online access for students and creation of online CPD courses.

The Institute has digitized the proceedings within the library, these will be made available online starting in 2020 in batches.

**Vote of thanks**

Thanks are due again to our Professional Advisors, Dennis Baylis our Advertisement Manager, Blane Judd our Engineering Manager, Keith Attenborough our Education Manager, our dedicated staff at Head Office in Milton Keynes, and those members involved in the numerous Committees, Regional Branches and Specialist Groups who have done so much in a voluntary capacity behind the scenes. It is their continued support and effort that assures our future success.

**Trustees**

The Trustees during the year under review were:

C D Goodhand (resigned 13 May 2019)  
P Lowery (resigned 13 May 2019)  
H Notley (resigned 13 May 2019)  
R Watson (resigned 13 May 2019)  
C Barlow (appointed 13 May 2019)  
B Fenech (appointed 13 May 2019)  
C J Hurst (appointed 13 May 2019)  
A Lamacraft (appointed 13 May 2019)

B M Gibbs	J R Richardson
J Hill	P J Rogers
K R Holland	E Shanks
P A Lepper	V Stewart
M R Lester	S W Turner
G Parry	D Wallis
	L J Webb

**Trustees' Responsibilities**

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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**FOR THE YEAR ENDED 31ST DECEMBER 2019**

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Company law requires Trustees, as directors of the company, to prepare financial statements for each financial year which give a true and fair view of the state of the charity's affairs and of the profit or loss for the year. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK 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 business.

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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 the maintenance and integrity of the corporate and financial information included on the charitable company's website.

In addition, the trustees confirm that:

- in the exercise of their powers as charity trustees, they have had due regard to the published guidance from the Charity Commission on the operation of the public benefit requirements; and
- the aims of the charity are carried out for the public benefit.

**Auditors**

In accordance with section 487(2) of the Companies Act 2006, a resolution proposing that Rayner Essex LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

**Statement of disclosure to auditor**

- (a) so far as the trustees are aware, there is no relevant audit information of which the Institute's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the Institute's auditors are aware of that information.

The report of the Trustees' was approved by the Board on 18 March 2020 and signed on its behalf.



**A Chesney**  
Secretary



**THE INSTITUTE OF ACOUSTICS LIMITED**  
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**INDEPENDENT AUDITORS' REPORT TO THE**

**MEMBERS OF THE INSTITUTE OF ACOUSTICS LIMITED**

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**Opinion**

We have audited the financial statements of The Institute of Acoustics Limited (the 'charitable company') for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet, cash flow statement and 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 Standards 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 December 2019 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

**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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

**THE INSTITUTE OF ACOUSTICS LIMITED**  
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**INDEPENDENT AUDITORS' REPORT TO THE**  
**MEMBERS OF THE INSTITUTE OF ACOUSTICS LIMITED**

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**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement (set out on page 6 and 7), 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 they 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 charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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.

**THE INSTITUTE OF ACOUSTICS LIMITED  
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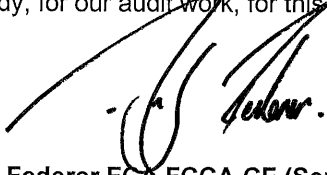
**INDEPENDENT AUDITORS' REPORT TO THE**

**MEMBERS OF THE INSTITUTE OF ACOUSTICS LIMITED**

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**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Antony Federer FCA FCCA CF (Senior Statutory Auditor)  
for and on behalf of Rayner Essex LLP**

18 March 2020

**Chartered Accountants  
Statutory Auditor**

Faulkner House  
Victoria Street  
St Albans  
Herts  
AL1 3SE

**THE INSTITUTE OF ACOUSTICS LIMITED**  
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**STATEMENT OF FINANCIAL ACTIVITIES**  
**(Incorporating Income & Expenditure Account)**

**FOR THE YEAR ENDED 31ST DECEMBER 2019**

	Notes	Unrestricted Funds £	2019 Total Funds £	2018 Total Funds £
<b>Incoming resources from:</b>				
Charitable activities:				
Subscriptions		462,560	462,560	446,753
Meetings		135,758	135,758	202,169
Publications		143,326	143,326	162,986
Education		343,829	343,829	369,926
Branch and Group Activities		-	-	2,215
Engineering Division		12,757	12,757	9,555
Investments:				
Investment Income	3	14,587	14,587	13,979
Other:				
Sundry Income		940	940	240
<b>Total incoming resources</b>	2	<u>1,113,757</u>	<u>1,113,757</u>	<u>1,207,823</u>
<b>Resources expended</b>				
Costs of generating funds	4	279,137	279,137	240,724
Charitable activities	4	708,262	708,262	957,932
<b>Total resources expended</b>	4	<u>987,399</u>	<u>987,399</u>	<u>1,198,656</u>
<b>Net incoming resources before other recognised gains and losses</b>	5	126,358	126,358	9,167
<b>Other recognised Gains and Losses</b>		-	-	-
<b>Net movement in funds</b>	5	126,358	126,358	9,167
<b>Reconciliation of funds</b>				
Fund Balances Brought Forward	11	1,428,552	1,428,552	1,419,385
Transfers between funds		-	-	-
<b>Fund balances carried forward</b>	11	<u><u>1,554,910</u></u>	<u><u>1,554,910</u></u>	<u><u>1,428,552</u></u>

All activities are classified as continuing. There were no recognised gains or losses for 2019 or 2018 other than those recorded in the Statement of Financial Activities.

All incoming resources and resources expended in 2019 and 2018 were unrestricted.

The notes on pages 14 to 20 form part of these financial statements.

THE INSTITUTE OF ACOUSTICS LIMITED  
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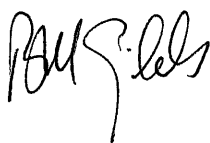
BALANCE SHEET

AS AT 31ST DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	8		345,685		239,239
<b>Current Assets</b>					
Debtors	9	143,949		121,529	
Cash at bank and in hand		1,348,783		1,240,119	
<b>Total Current Assets</b>		1,492,732		1,361,648	
<b>Creditors: Amounts Falling Due within One Year</b>	10	(283,507)		(172,335)	
<b>Net Current Assets</b>			1,209,225		1,189,313
<b>Total Assets Less Current Liabilities</b>			1,554,910		1,428,552
<b>The Funds of the Charity</b>					
Reserves	11		1,554,910		1,428,552
<b>Total Funds</b>			1,554,910		1,428,552

These financial statements have been prepared in accordance with FRS102 SORP.

The financial statements were approved by the board of directors and authorised for issue on 18 March 2020 and are signed on its behalf by:



**B M Gibbs**  
President

Company Registration No. 01157249

Charity Registration No. 267026

The notes on pages 14 to 20 form part of these financial statements.

THE INSTITUTE OF ACOUSTICS LIMITED  
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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2019

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Net income (expenditure) for the year	126,358	9,167
Adjustments for:		
Depreciation	38,366	47,158
Loss of disposal of fixed assets	-	119
Investment income	(14,587)	(13,979)
(Increase)/reduction in debtors	(22,420)	(43,514)
Increase/(reduction) in creditors	111,172	52,708
<b>Net cash provided/ (used) in operating activities</b>	<u>238,889</u>	<u>51,659</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(144,812)	(264,163)
Sale of tangible fixed assets	-	551
Investment income	14,587	13,979
<b>Net cash (used in) investing activities</b>	<u>(130,225)</u>	<u>(249,633)</u>
Net increase / (decrease) in cash and cash equivalents	108,664	(197,974)
Cash and cash equivalents at the beginning of the year	1,240,119	1,438,093
Cash and cash equivalents at the end of the year	<u>1,348,783</u>	<u>1,240,119</u>
Cash and cash equivalents is made up of the following:		
Cash at bank and in hand	1,348,783	1,240,119
Total	<u>1,348,783</u>	<u>1,240,119</u>

The notes on pages 14 to 20 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2019

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1. **Accounting Policies**

**Basis of preparation**

The Institute meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102), the Companies Act 2006 and the UK Generally Accepted Practice as it applies from 1 January 2015.

**Fund accounting**

Unrestricted general funds are available for use at the discretion of the trustees in furtherance of the general objects of the charitable company.

**Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Membership income is invoiced at the start of each financial year and fully recognised in the year.
- Meeting and conference income is recognised in the year that the meeting or conference is held.
- Publication income is recognised when the publications are sold.
- Education income is recognised in the year when the courses are run.

**Resources expended**

All expenditure is accounted for on an accruals basis as a liability is incurred. Expenditure excludes VAT. Any VAT that cannot be reclaimed is reported separately.

- Costs of generating funds comprise the costs associated with the handling of the membership.
- Charitable expenditure comprises those costs incurred by the charity in achieving its objectives including the holding or supporting of conferences. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, other costs are apportioned on an appropriate basis. Where costs are apportioned these are either allocated directly as a result of the usage of the resource, such as floor space or staff time, or where this is not possible the allocation is based on a percentage basis as agreed by the trustees.

**Support costs**

The support costs of the charity are allocated between charitable activities and costs of raising funds. Governance costs have been allocated to resources expended on charitable activities.

**NOTES TO THE FINANCIAL STATEMENTS**

**AS AT 31ST DECEMBER 2019**

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**1. Accounting Policies (continued)**

**Funds**

Unrestricted funds are funds which the trustees are free to use for any purpose in furtherance of the charity's objectives.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or through the terms of an appeal.

**Debtors**

Short term debtors are measured at transaction price, less any impairment losses.

**Cash and Cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and demand deposits with banks.

**Liabilities**

Short term creditors are measured at the transaction price.

**Depreciation**

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

Computer equipment	20%-33% straight line
Audio Visual system	10% straight line
Office equipment	10% straight line
Leasehold improvements	10% straight Line

**Leased Assets**

Assets under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the Profit and Loss Account over the period of the lease. All other leases are regarded as operating leases and the payments made under them are charged to the Profit and Loss Accounts on a straight-line basis over the lease term.

**Going concern**

The trustees are not aware of material uncertainties regarding going concern

**Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means the actual outcomes could differ from those estimates. There were no material estimations necessary other than the decision on depreciation rates.

**2. Incoming resources**

The income was derived from the charity's principal activities which were carried out mainly in the UK. The Institute's main sources of income centre around the subscriptions receivable from its members and income derived from the meetings and educational activities that are provided to its members.



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**AS AT 31ST DECEMBER 2019**

**3. Investment income**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Interest receivable	<u>14,587</u>	<u>13,979</u>

**4. Total resources expended**

	Costs of generating funds £	Conferences and Education £	Other £	Governance £	2019 Total Funds £	2018 Total Funds £
<b>Costs directly allocated to activities</b>						
Meetings	-	122,837	-	-	122,837	217,254
Publications	98,209	-	-	-	98,209	100,516
Education	-	92,265	-	-	92,265	71,829
Branch and Group Activities	-	8,735	-	-	8,735	9,498
Engineering Division	-	-	24,835	-	24,835	23,368
International expenses	-	-	-	-	-	20,075
Subscriptions	-	45,928	-	-	45,928	37,688
Legal fees	-	-	-	367	367	2,715
Audit	-	-	-	8,500	8,500	8,050
Accountancy & taxation	-	-	-	11,640	11,640	6,175
Marketing expenses	88,637	-	-	-	88,637	19,548
Bad debts	-	(21,427)	-	-	(21,427)	30,819
	<u>186,846</u>	<u>248,338</u>	<u>24,835</u>	<u>20,507</u>	<u>480,526</u>	<u>547,535</u>
<b>Support costs allocated to activities</b>						
Staff costs	59,712	119,423	11,942	46,770	237,847	287,236
Rent, rates and service charge	7,966	19,915	1,991	9,957	39,829	73,160
Light, heat and insurance	1,183	2,959	295	1,480	5,917	1,416
Hire of equipment	-	10,761	-	-	10,761	11,839
Computer fees	4,086	32,691	-	4,086	40,863	37,722
Printing, stationery & duplicating	548	4,388	-	548	5,484	5,681
Postage (including Bulletin)	315	5,662	-	315	6,292	5,442
Telephone	716	6,447	-	-	7,163	8,847
Committee and management expenses	1,941	7,763	-	29,113	38,817	41,135
Sundry expenses	799	1,998	200	998	3,995	25,081
Bank and credit card charges	3,259	7,603	-	-	10,862	12,249
Depreciation	3,837	30,692	-	3,837	38,366	47,158
Irrecoverable VAT	5,138	38,531	2,568	5,138	51,375	74,661
Loss on disposal of fixed assets	-	-	-	-	-	191
Relocation costs	-	-	-	-	-	17,669
Travel	350	583	116	116	1,165	1,634
Repairs and maintenance	2,441	4,068	814	814	8,137	-
	<u>279,137</u>	<u>541,822</u>	<u>42,761</u>	<u>123,679</u>	<u>987,399</u>	<u>1,198,656</u>

**5. Net Movement In Funds**

**The movement of funds is stated after charging or (crediting):**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Depreciation of owned assets	38,366	47,158
Auditors' remuneration	8,500	8,050
Operating leases – premises	38,865	45,816
Hire of equipment	<u>10,761</u>	<u>11,839</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

**AS AT 31ST DECEMBER 2019**

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**6. Taxation**

No provision for UK corporation tax has been made since the Trustees are of the opinion that all of the charity's income is applied for charitable purposes.

**7. Trustees and Employees**

The Trustees received no remuneration during the year but 15 (2018: 14) Trustees have been reimbursed for travel and subsistence costs incurred by them on behalf of the Institute, totalling £15,737 (2018: £10,500).

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	205,218	255,551
Employers' national insurance	21,190	20,267
Employers' pension costs	11,439	11,418
	<u>237,847</u>	<u>287,236</u>

The average monthly number of employees, excluding Trustees, during the year was as follows:

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Direct charitable activities	4	5
Management and administration	2	2
	<u>6</u>	<u>7</u>

One individual employee (2018: none) received employee benefits of £60,000 or higher, (£60,000 - £70,000 band- 1)

The cost to the Institute regarding key management personnel was £72,471 (2018: 69,163)

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**NOTES TO THE FINANCIAL STATEMENTS**

**AS AT 31ST DECEMBER 2019**

<b>8. Tangible Fixed Assets</b>	<b>Leasehold Improvements</b>	<b>Computer Equipment £</b>	<b>Office Equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1st January 2019	161,461	160,481	27,475	349,417
Additions		144,812	-	144,812
Disposals	-	-	-	-
	<u>161,461</u>	<u>160,481</u>	<u>27,475</u>	<u>349,417</u>
At 31st December 2019	<u>161,461</u>	<u>305,293</u>	<u>27,475</u>	<u>494,229</u>
<b>Depreciation</b>				
At 1st January 2019	16,147	91,283	2,748	110,178
Charge for the year	16,147	19,471	2,748	38,366
Disposals	-	-	-	-
	<u>16,147</u>	<u>91,283</u>	<u>2,748</u>	<u>110,178</u>
At 31st December 2019	<u>32,294</u>	<u>110,754</u>	<u>5,496</u>	<u>148,544</u>
<b>Net Book Value</b>				
At 31st December 2019	<u>129,167</u>	<u>194,539</u>	<u>21,979</u>	<u>345,685</u>
At 31st December 2018	<u>145,314</u>	<u>69,198</u>	<u>24,727</u>	<u>239,239</u>
<b>9. Debtors</b>				
		<b>2019</b>	<b>2018</b>	
		<b>£</b>	<b>£</b>	
Trade debtors		119,499	83,899	
Prepayments and accrued income		18,703	37,630	
VAT recoverable		5,747	-	
		<u>143,949</u>	<u>121,529</u>	
<b>10. Creditors: Amounts Falling Due Within One Year</b>				
		<b>2019</b>	<b>2018</b>	
		<b>£</b>	<b>£</b>	
Trade creditors		93,795	14,643	
Other taxes and social security		7,030	23,576	
Accruals		34,005	35,895	
Deferred income		148,677	91,618	
Other creditors		-	6,603	
		<u>283,507</u>	<u>172,335</u>	

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**NOTES TO THE FINANCIAL STATEMENTS**

**AS AT 31ST DECEMBER 2019**

**11. Funds**

Undesignated

	General Funds £
At 1st January 2019	1,428,552
Net incoming (outgoing resources)	126,358
	<u>1,554,910</u>
At 31st December 2019	<u>1,554,910</u>

**12. Analysis of Assets between Funds**

	Undesignated General Funds £
Fixed Assets	345,685
Debtors	143,949
Cash at bank and in hand	1,348,783
Creditors	(283,507)
	<u>1,554,910</u>
At 31st December 2019	<u>1,554,910</u>

**13. Operating Lease Commitments**

At 31st December 2019 the charity had total commitments under non-cancellable operating leases as set out below:

	Land & Buildings		Other	
	2019 £	2018 £	2019 £	2018 £
Operating leases which expire:				
1-2 years	44,239	28,580	10,970	7,170
2-5 years	151,511	185,963	30,308	28,680
After five years	-	-		5,378
	<u>195,750</u>	<u>214,543</u>	<u>41,278</u>	<u>41,228</u>

**14. Members liability**

The liability of the members is restricted to £1 on the event of the winding up of the Institute.

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**NOTES TO THE FINANCIAL STATEMENTS**

**AS AT 31ST DECEMBER 2019**

**15. Comparative Resources Expended year ended 31 December 2018**

**Total resources expended**

	Costs of generating funds £	Conferences and Education £	Other £	Governance £	2018 Total Funds £
<b>Costs directly allocated to activities</b>					
Meetings	-	217,254	-	-	217,254
Publications	100,516	-	-	-	100,516
Education	-	71,829	-	-	71,829
Branch and Group Activities	-	9,498	-	-	9,498
Engineering Division	-	-	23,368	-	23,368
International expenses	-	20,075	-	-	20,075
Subscriptions	-	37,688	-	-	37,688
Legal fees	-	-	-	2,715	2,715
Audit	-	-	-	8,050	8,050
Accountancy & taxation	-	-	-	6,175	6,175
Marketing expenses	19,548	-	-	-	19,548
Bad debts	-	30,819	-	-	30,819
	<u>120,064</u>	<u>387,163</u>	<u>23,368</u>	<u>16,940</u>	<u>547,535</u>
<b>Support costs allocated to activities</b>					
Staff costs	71,809	143,618	14,362	57,447	287,236
Rent, rates and service charge	14,632	36,580	3,658	18,290	73,160
Light, heat and insurance	284	708	70	354	1,416
Hire of equipment	-	11,839	-	-	11,839
Computer fees	3,772	30,178	-	3,772	37,722
Printing, stationery & duplicating	284	5,113	-	284	5,681
Postage (including Bulletin)	272	4,898	-	272	5,442
Telephone	885	7,962	-	-	8,847
Committee and management expenses	2,057	8,227	-	30,851	41,135
Sundry expenses	5,016	12,541	1,254	6,270	25,081
Bank and credit card charges	3,675	8,574	-	-	12,249
Depreciation	4,716	37,726	-	4,716	47,158
Irrecoverable VAT	7,466	55,996	3,733	7,466	74,661
Loss on disposal of fixed assets	-	191	-	-	191
Relocation costs	5,301	8,835	1,767	1,766	17,669
Travel	491	817	163	163	1,634
	<u>240,724</u>	<u>760,966</u>	<u>48,375</u>	<u>148,591</u>	<u>1,198,656</u>