

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 2020

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

**RAYNER ESSEX LLP
CHARTERED ACCOUNTANTS**

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

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THE INSTITUTE OF ACOUSTICS LIMITED
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LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2020

Constitution 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.

Trustees

C J Hurst	(resigned 9 December 2020)
J R Richardson	(resigned 14 May 2020)
P J Rogers	(resigned 14 May 2020)
E Shanks	(resigned 14 May 2020)
D Wallis	(resigned 14 May 2020)
L J Webb	(resigned 14 May 2020)
Y Liu	(appointed 14 May 2020)
R M M Mirchandani	(appointed 14 May 2020)
F E Rogerson	(appointed 14 May 2020)
H S Sagoo	(appointed 14 May 2020)
A W M Somerville	(appointed 14 May 2020)
C Barlow	P A Lepper
B Fenech	M R Lester
B M Gibbs	G Parry
J Hill	V Stewart
K R Holland	S W Turner
A Lamacraft	

President S W Turner

Secretary A Chesney

Honorary Treasurer M R Lester

Honorary Secretary F E Rogerson

Company Number 01157249

Charity Number 267026

Registered and Principal Office:
Silbury Court
406 Silbury Boulevard
Milton Keynes
MK9 2AF

Auditors Rayner Essex LLP
Faulkner House
Victoria Street
St Albans
Herts AL1 3SE

Solicitors Pictons Solicitors LLP
28 Dunstable Road
Luton
Bedfordshire LU1 1DY

Bankers 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 2020

The trustees present their report and the independently audited financial statements of the charity for the year ended 31 December 2020. 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.

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. In 2020 these had to be held online.
- **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 is scheduled to host InterNoise 2022 in Glasgow.
- **Future Development**
Future development of the Institute will focus on promoting the profession and the science of 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 Covid-19 restrictions impacted the work of the Institute in 2020, however the prior work to develop the Institute's online presence meant that the Institute was able to continue with limited overall impact. Online meetings replaced face to face meetings. Attendance at Branch meetings significantly increased through Zoom, with those who previously could not attend due to distance or work commitments being able to join. Regular Members Forums were held online during the year along with a series of refresher CPD meetings; attendance varied between 40 – 170 at each meeting. The Annual Conference, along with an International Underwater Acoustics Conference and Reproduced Sound, were also successfully held online. Committee and Council meetings were also successfully held via Zoom.

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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 2020

- All Diploma teaching post lockdown was conducted online with the diploma videos available for students. These proved to be popular and students were able to watch the lessons again in their own time via the Moodle learning platform. A total of 110 candidates passed the diploma in 2020. The Covid-19 restrictions did impact the number of short courses run during the year with only 71 candidates passing other courses.
- The Institute presented to the Parliamentary and Scientific Committee in February. A short video was commissioned to introduce the session, which conveyed the breadth of acoustics and its importance to society. The session was well received and key influencers requested a copy of the video. Networking links were made, which enabled the Institute to contribute to a number of policy debates. The Institute continues to engage with a number of government departments (DfE, DCLG, Defra and DECC) to influence future policies affecting acoustics.
- A video promoting acoustics as a career for school children was produced and formed part of the Institute's online stand at the Crawley Careers fair attended by approximately 50,000 children. The institute's stand proved to be popular.
- The upgraded website and new designs were launched in 2020 and generally well received. Work is continuing in 2021 to further enhance the website.
- Ten candidates presented themselves for the CEng Professional Review Interview, of whom four were 'Standard Route' candidates, holding accredited degrees, and four were 'individual route' candidates with diverse backgrounds. 2 Candidates were not recommended but are working towards 2021 interviews. Three candidates, were elected for IEng.
- Due to the impact of Covid-19 and members being made redundant, 2020 was the first year where there was a small reduction in the membership as opposed to an increase. Membership decreased from 3,031 to 3,014. It should be remembered that Lockdown came into force in March 2020 after the vast majority of members had already renewed their membership. The true impact of Covid-19 is therefore likely to be apparent in 2021.
- The Institute is represented internationally through the following members: Paul Lepper (EAA General Secretary) Jian Kang (Director, IIAV), Graham Parry (Director IIAV), Jo Webb (ICA Board), and Rupert Thornely-Taylor (Secretary, IIAV). Barry Gibbs (I-INCE).

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 £45,571 (2019: £126,358). The balance sheet indicates that total funds of the charity were £1,600,481 (2019: £1,554,910) of which all funds were unrestricted funds (2019: All funds unrestricted). These were represented by tangible fixed assets of £392,664 (2019: £345,685) and other net assets of £1,207,817 (2019: £1,209,225).

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FOR THE YEAR ENDED 31ST DECEMBER 2020

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.

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 2020 the target was approximately £650,000, with a minimum reserve of £400,000, and the free reserves excluding fixed assets were £1,207,817 (2019: £1,209,225).

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 creation of online CPD courses.

The Institute has digitized the proceedings within the library, these are being made available online 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 J Hurst	(resigned 9 December 2020)
J R Richardson	(resigned 14 May 2020)
P J Rogers	(resigned 14 May 2020)
E Shanks	(resigned 14 May 2020)
D Wallis	(resigned 14 May 2020)
L J Webb	(resigned 14 May 2020)
Y Liu	(appointed 14 May 2020)
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FOR THE YEAR ENDED 31ST DECEMBER 2020

Trustees' Responsibilities

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

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 17 March 2021 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

Opinion

We have audited the financial statements of The Institute of Acoustics Limited (the 'charitable company') for the year ended 31 December 2020 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 2020 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.

The impact of uncertainties due to Covid-19 on our audit

Uncertainties related to the global effects of Covid-19 are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the trustees, such as impairment of fixed assets, recoverability of debtors, intangibles assets and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 is one of the most significant global economic events presently and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. No audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Covid-19.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

However, as not all future events or conditions can be predicted, such as the impact of Covid-19, and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor report is not a guarantee that the company will continue in operation as a going concern.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

THE INSTITUTE OF ACOUSTICS LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE

MEMBERS OF THE INSTITUTE OF ACOUSTICS LIMITED

Other information

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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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INDEPENDENT AUDITORS' REPORT TO THE

MEMBERS OF THE INSTITUTE OF ACOUSTICS LIMITED

The extent to which the audit was considered capable of detecting irregularities including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with the Chief Executive and other management, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, The Charities Act 2011, and taxation legislation and data protection, anti-bribery, employment, environmental and other relevant regulations;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

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



17 March 2021

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 2020

	Notes	Unrestricted Funds £	2020 Total Funds £	2019 Total Funds £
Incoming resources from:				
Charitable activities:				
Subscriptions		477,331	477,331	462,560
Meetings		14,721	14,721	135,758
Publications		113,262	113,262	143,326
Education		309,183	309,183	343,829
Branch and Group Activities		-	-	-
Engineering Division		16,285	16,285	12,757
Investments:				
Investment Income	3	11,241	11,241	14,587
Other:				
Sundry Income		4,560	4,560	940
Total incoming resources	2	946,583	946,583	1,113,757
Resources expended				
Costs of generating funds	4	287,252	287,252	279,137
Charitable activities	4	613,760	613,760	708,262
Total resources expended	4	901,012	901,012	987,399
Net incoming resources before other recognised gains and losses	5	45,571	45,571	126,358
Other recognised Gains and Losses		-	-	-
Net movement in funds	5	45,571	45,571	126,358
Reconciliation of funds				
Fund Balances Brought Forward	11	1,554,910	1,554,910	1,428,552
Transfers between funds		-	-	-
Fund balances carried forward	11	1,600,481	1,600,481	1,554,910

All activities are classified as continuing. There were no recognised gains or losses for 2020 or 2019 other than those recorded in the Statement of Financial Activities.

All incoming resources and resources expended in 2020 and 2019 were unrestricted.

The notes on pages 15 to 21 form part of these financial statements.

THE INSTITUTE OF ACOUSTICS LIMITED
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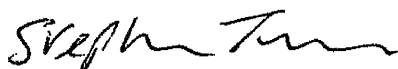
BALANCE SHEET

AS AT 31ST DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Fixed Assets					
Tangible assets	8		392,664		345,685
Current Assets					
Debtors	9	77,530		143,949	
Cash at bank and in hand		1,310,458		1,348,783	
Total Current Assets		<u>1,387,988</u>		<u>1,492,732</u>	
Creditors: Amounts Falling Due within One Year	10	<u>(180,171)</u>		<u>(283,507)</u>	
Net Current Assets			<u>1,207,817</u>		<u>1,209,225</u>
Total Assets Less Current Liabilities			<u>1,600,481</u>		<u>1,554,910</u>
The Funds of the Charity					
Reserves	11		<u>1,600,481</u>		<u>1,554,910</u>
Total Funds			<u>1,600,481</u>		<u>1,554,910</u>

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 17 March 2021 and are signed on its behalf by:



S W Turner
President

Company Registration No. 01157249

Charity Registration No. 267026

The notes on pages 15 to 21 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 2020

	2020	2019
	£	£
Cash flows from operating activities		
Net income (expenditure) for the year	45,571	126,358
Adjustments for:		
Depreciation	74,074	38,366
Loss of disposal of fixed assets	-	-
Investment income	(11,241)	(14,587)
(Increase)/reduction in debtors	66,419	(22,420)
Increase/(reduction) in creditors	(103,336)	111,172
Net cash provided/ (used) in operating activities	<u>71,487</u>	<u>238,899</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(121,053)	(144,812)
Sale of tangible fixed assets	-	-
Investment income	11,241	14,587
Net cash (used in) investing activities	<u>(109,812)</u>	<u>(130,225)</u>
Net increase / (decrease) in cash and cash equivalents	(38,325)	108,664
Cash and cash equivalents at the beginning of the year	1,348,783	1,240,119
Cash and cash equivalents at the end of the year	<u>1,310,458</u>	<u>1,348,783</u>
Cash and cash equivalents is made up of the following:		
Cash at bank and in hand	1,310,458	1,348,783
Total	<u>1,310,458</u>	<u>1,348,783</u>

The notes on pages 15 to 21 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2020

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.

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

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2020

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, the level of reserves and in particular cash balances are considered sufficient to mitigate the uncertainties arising from the COVID -19 pandemic.

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.

THE INSTITUTE OF ACOUSTICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2020

3. Investment income

	2020 £	2019 £
Interest receivable	<u>11,241</u>	<u>14,587</u>

4. Total resources expended

	Costs of generating funds £	Conferences and Education £	Other £	Governance £	2020 Total Funds £	2019 Total Funds £
Costs directly allocated to activities						
Meetings	-	19,976	-	-	19,976	122,837
Publications	90,150	-	-	-	90,150	98,209
Education	-	79,611	-	-	79,611	92,265
Branch and Group Activities	-	2,014	-	-	2,014	8,735
Engineering Division	-	-	24,603	-	24,603	24,835
Subscriptions	-	21,510	-	-	21,510	45,928
Legal fees	-	-	-	1,006	1,006	367
Audit	-	-	-	8,500	8,500	8,500
Accountancy & taxation	-	-	-	11,670	11,670	11,640
Marketing expenses	99,127	-	-	-	99,127	88,637
Bad debts	-	-	-	-	-	(21,427)
	<u>189,277</u>	<u>123,111</u>	<u>24,603</u>	<u>21,176</u>	<u>358,167</u>	<u>480,526</u>
Support costs allocated to activities						
Staff costs	61,823	123,647	12,364	48,835	246,669	237,847
Rent, rates and service charge	10,714	26,785	2,678	13,393	53,570	39,829
Light, heat and insurance	1,298	3,243	324	1,621	6,486	5,917
Hire of equipment	-	11,394	-	-	11,394	10,761
Computer fees	4,231	33,849	-	4,231	42,311	40,863
Printing, stationery & duplicating	320	2,563	-	320	3,203	5,484
Postage (including Bulletin)	409	3,275	-	409	4,093	6,292
Telephone	544	4,896	-	-	5,440	7,163
Committee and management expenses	1,519	6,078	-	22,789	30,386	38,817
Sundry expenses	217	535	53	265	1,070	3,995
Bank and credit card charges	2,889	6,742	-	-	9,631	10,862
Depreciation	7,407	59,260	-	7,407	74,074	38,366
Irrecoverable VAT	4,875	36,567	2,438	4,875	48,755	51,375
Travel	331	551	110	110	1,102	1,165
Repairs and maintenance	1,398	2,331	466	466	4,661	8,137
	<u>287,252</u>	<u>444,827</u>	<u>43,036</u>	<u>125,897</u>	<u>901,012</u>	<u>987,399</u>

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

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2020

5. Net Movement In Funds

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

	2020	2019
	£	£
Depreciation of owned assets	74,074	38,366
Auditors' remuneration	8,500	8,500
Operating leases – premises	46,211	38,865
Hire of equipment	11,394	10,761
	<u>140,179</u>	<u>96,492</u>

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 11 (2019: 15) Trustees have been reimbursed for travel and subsistence costs incurred by them on behalf of the Institute, totalling £3,732 (2019: £15,737).

	2020	2019
	£	£
Wages and salaries	215,757	205,218
Employers' national insurance	18,426	21,190
Employers' pension costs	12,486	11,439
	<u>246,669</u>	<u>237,847</u>

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

	2020	2019
	Number	Number
Direct charitable activities	4	4
Management and administration	2	2
	<u>6</u>	<u>6</u>

One individual employee (2019: one) received employee benefits of £60,000 or higher, (£60,000 - £70,000 band- 1)

The cost to the Institute regarding key management personnel was £74,658 (2019: 72,471)

THE INSTITUTE OF ACOUSTICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2020

8. Tangible Fixed Assets	Leasehold Improvements	Computer Equipment £	Office Equipment £	Total £
Cost				
At 1st January 2020	161,461	305,293	27,475	494,229
Additions		121,053	-	121,053
Disposals	-	-	-	-
At 31st December 2020	<u>161,461</u>	<u>426,346</u>	<u>27,475</u>	<u>615,282</u>
Depreciation				
At 1st January 2020	32,294	110,754	5,496	148,544
Charge for the year	16,147	55,179	2,748	74,074
Disposals	-	-	-	-
At 31st December 2020	<u>48,441</u>	<u>165,933</u>	<u>8,244</u>	<u>222,618</u>
Net Book Value				
At 31st December 2020	<u>113,020</u>	<u>260,413</u>	<u>19,231</u>	<u>392,664</u>
At 31st December 2019	<u>129,167</u>	<u>194,539</u>	<u>21,979</u>	<u>345,685</u>
9. Debtors				
		2020	2019	
		£	£	
Trade debtors		50,662	119,499	
Prepayments and accrued income		24,055	18,703	
VAT recoverable		1,608	5,747	
Other debtors		1,205	-	
		<u>77,530</u>	<u>143,949</u>	
10. Creditors: Amounts Falling Due Within One Year				
		2020	2019	
		£	£	
Trade creditors		32,235	93,795	
Other taxes and social security		7,159	7,030	
Accruals		34,149	34,005	
Deferred income		106,628	148,677	
		<u>180,171</u>	<u>283,507</u>	

THE INSTITUTE OF ACOUSTICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2020

11. Funds

Undesignated	General Funds £
At 1st January 2020	1,554,910
Net incoming (outgoing resources)	45,571
At 31st December 2020	<u>1,600,481</u>

12. Analysis of Assets between Funds

	Undesignated General Funds £
Fixed Assets	392,664
Debtors	77,530
Cash at bank and in hand	1,310,458
Creditors	(180,171)
At 31st December 2020	<u>1,600,481</u>

13. Operating Lease Commitments

At 31st December 2020 the charity had total commitments under non-cancellable operating leases as set out below:

	Land & Buildings		Other	
	2020 £	2019 £	2020 £	2019 £
Operating leases which expire:				
1-2 years	48,938	44,239	10,590	10,970
2-5 years	104,531	151,511	21,510	30,308
After five years	-	-	-	-
	<u>153,469</u>	<u>195,750</u>	<u>32,100</u>	<u>41,278</u>

14. Members liability

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

THE INSTITUTE OF ACOUSTICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2020

15. Comparative Resources Expended year ended 31 December 2019

Total resources expended

	Costs of generating funds £	Conferences and Education £	Other £	Governance £	2019 Total Funds £	2018 Total Funds £
Costs directly allocated to activities						
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>
Support costs allocated to activities						
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>