

Company No. 00648041  
Charity No. 257303

**THE INSTITUTION OF AGRICULTURAL ENGINEERS**

**(LIMITED BY GUARANTEE)**

**REPORT AND FINANCIAL STATEMENTS**

**31ST DECEMBER 2015**

Landers Accountants Ltd  
Church View Chambers  
38 Market Square  
Toddington  
Dunstable  
Bedfordshire  
LU5 6BS

**THE INSTITUTION OF AGRICULTURAL ENGINEERS**

**(LIMITED BY GUARANTEE)**

**YEAR ENDED 31ST DECEMBER 2015**

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# THE INSTITUTION OF AGRICULTURAL ENGINEERS

(LIMITED BY GUARANTEE)

## COMPANY INFORMATION

TRUSTEES	Prof M G Kibblewhite Mr A C Newbold Dr R J Merrall Mr P N Leech Prof P C H Miller Dr C S Parkin Mr M J Cooper Mr S W Wilcox Dr M C Butler-Ellis Mr S C Constable (appointed - 30 April 2015) Mr G P Higginson (appointed - 30 April 2015) Dr P A Misiewicz (resigned - 30 April 2015)
PRESIDENT	Prof M G Kibblewhite
SECRETARY	Mr A J Taylor
COMPANY NUMBER	648041 (England and Wales)
REGISTERED CHARITY	257303
REGISTERED OFFICE	The Bullock Building (BLDG 53) University Way Cranfield Bedfordshire MK43 0GH
INDEPENDENT EXAMINER	Landers Accountants Ltd Church View Chambers 38 Market Square Toddington Bedfordshire LU5 6BS
BANKERS	HSBC 12 Allhallows Bedford Bedfordshire MK40 1LJ
INVESTMENT MANAGERS	Investec 30 Gresham street London EC2V 7QN

## Aims and Objectives

Established in 1938 (as the Institution of British Agricultural Engineers), the prime remit of the Institution of Agricultural Engineers (IAgrE) was then, as it is now, to:

- Promote agricultural engineering as a profession.
- Direct and apply the sources of energy in Nature for the sustainable use and convenience of man in the adaptation and application of materials and mechanical methods for the best development of land use for agriculture, forestry and other purposes and
- Promote good practice in all applications of technology across the land based sector.

Prime objectives are, as ever, to continue with the drive to increase and broaden the membership base and raise the profile of the Institution. Further information on the aims of the Institution are detailed in the Memorandum and Articles of Association which are published at [www.iagre.org](http://www.iagre.org)

## Structure, Governance and Management

### Structure

IAgrE is overseen by an Executive Committee whose members act as Trustees. These are also directors of the charity for the purposes of the Companies Act, and through this report, submit their annual report and the financial statements for the year ended 31 December 2015. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005 in preparing the annual report and financial statements of the charity.

IAgrE is a charitable company (charity number 257303) limited by guarantee (company number 00648041) and is governed by a Memorandum and Articles of Association. The principal address and registered office of the charity is The Bullock Building, University Way, Cranfield, Bedford MK43 0GH.

As a charity and a company limited by guarantee, IAgrE is regulated by both the Charities Commission and by Company Law. IAgrE is governed by Council which directs and manages the property and affairs of the Institution. Council is elected by the corporate (voting) members of IAgrE. Operationally, IAgrE is run by its Chief Executive supported by the Executive Committee which is appointed annually by Council and is responsible for executive action on all matters within the policy framework approved by Council including Finance and General Purposes.

### Council

Council meetings take place three times a year and are used to discuss matters of strategic importance to IAgrE. These meetings are usually associated with a visit to key organisations within IAgrE's wider community. During 2015 these included a visit to Harper Adams University in Shropshire, AGCO in Warwickshire, and Wessex Grain in Somerset. Matters for discussion included student and pre-professional engagement, the management and recording of continuing professional development, and IAgrE

specialist and technical groups. Council meetings are used to record the ongoing activities of IAgrE branches.

### Health and Safety

IAgrE provides a Health and Safety Policy document. This is updated regularly. All staff are routinely reminded of its existence.

### Staff

2015 has been a year of change for IAgrE with two new staff members, one of these replacing an existing role. Having two full time members of staff with a constant office presence is an important asset to IAgrE.

**Alastair Taylor** is employed three days per week in the role of CEO and Secretary.

**Elizabeth Stephens** combines her financial control responsibilities with her role as Assistant Secretary, also assisting with the administration of the Douglas Bomford Trust (DBT), the AgriFood Charities Partnership (AFCP) and other related initiatives.

**Alison Chapman**, continues as Membership Secretary and is closely involved with the day to day administration of LTA and supporting the Membership Committee.

**Sarah McLeod** started with IAgrE in January 2015 and provides Conference/Branch/Group support, database/records administration and manages communications through the e-mail marketing system.

**Sally Wood** started with IAgrE in March 2015 and oversees the IAgrE Website and manages a range of projects and initiatives designed to grow membership and enhance services.

**Marion King**, IAgrE's Communications Officer, continues to raise the profile of IAgrE through social networking on Facebook and Twitter, press releases and member-related copy for Landwards.

### Risk Management

The Trustees are responsible for the management of risks faced by the Institution and seek early identification, evaluation and effective management and mitigation of key risks. Potential risks, impact and mitigation are identified by the IAgrE Secretary and Assistant Secretary and are considered by Trustees at all Executive Committee meetings. The principal risks identified are:

- Business interruption as a consequence of loss of key staff, office and records, and/or premises lease amendment.
- Loss of membership and/or loss of income from substantial decrease in membership renewals.
- Information and Communication Technology (ICT) related issues such as failure of cloud storage, website crash and/or database failure.
- Loss of income streams such as Biosystems Engineering and/or LTA administration.

ICT presents a significant risk. IAgrE continues to develop both inward and outward facing ICT services. The maintenance of these systems is by Total-IT, based on the Cranfield Technology Park, and continues to be satisfactory.

#### Statement of disclosure to Independent Examiner

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the trustees are aware:

- There is no relevant information of which the charitable company's independent examiner is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the examiner is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### Trustees

The Trustees of IAgrE on the date of approval of the financial statements were:

Prof M G Kibblewhite (President)	Mr P N Leech
Dr M C Butler Ellis	Mr R J Merrall
Mr S C Constable	Prof P C H Miller
Dr M J Cooper	Mr A C Newbold
Mr G P Higginson	Dr C S Parkin
	Mr S W Wilcox

#### Review of Activities

##### Overview

IAgrE has placed much emphasis on the five-year development plan and has made good progress in delivering the business objectives which have been set against the following business development themes.

- What's in it for me (promoting the value and benefits of IAgrE membership)
- Maintaining the licence (ensuring that the Engineering Council and Society for the Environment licences are maintained)
- Growing the business (Continuing to develop new business activities and income streams)
- Presence and influence (increasing the IAgrE profile with institutions and stakeholders so that IAgrE is viewed as being influential with good quality intelligence and intellectual capital)

The benefits of IAgrE membership have been reviewed with new marketing collateral and website updates established to demonstrate these to a range of users including established members, potential members, students and pre-professionals, and academic and commercial partners. Existing services such as communication with members, mentoring, support and Continuing Professional Development (CPD) have been refreshed. Offers such as discounted tools and equipment have been introduced with further benefits under development.

During Spring 2015, IAgrE was successful in the five yearly licence review assessment from the Engineering Council and Society for the Environment. Very few areas of concern were raised. This gives IAgrE a spring-board for developing new routes to registration and work has continued through 2015 to develop new procedures, more accessible registration arrangements and enhanced systems. A particular challenge is the need to sample registered members CPD records from January 2017 and a working party was established to oversee the development of a new sampling system.

A secure income stream is important to IAgrE and during 2015, work has started to develop new income streams such as a drive to recruit more commercial members, more presence at shows and events, and courses and events. A successful conference on Water Management took place at Newcastle University in May and this benefited from sponsorship from a drainage machinery manufacturer. Further sponsorship was secured to support the publication of a calendar of events for 2016 which was distributed with the winter edition of Landwards.

The IAgrE has continued to build on opportunities to raise its profile with the wider engineering and scientific community and to further promote agricultural engineering as a profession. In 2013, along with partners, IAgrE put forward proposals to the Department for Business, Innovation & Skills (BIS) for a Centre for Innovation in Engineering for Agriculture in response to the government's Agritech Strategy. This came to fruition in Autumn 2015 and IAgrE looks forward to working with partners to secure involvement in this important national development.

#### Services to Engineers

IAgrE continues to promote professionalism through the marketing of professional qualifications at all levels from LTA accreditation for Engineering Technicians through to Chartered status. IAgrE continues to place strong emphasis on supporting Engineering UK and the Engineering Council (EngC) through initiatives such as the Big Bang Fair, Tomorrows Engineers and various education and skills promotional activities. IAgrE works together with both organisations and sits on the Operational Group of the Engineering 4 Education (E4E) panel which is hosted by the Royal Academy of Engineering and works to inform education policy and practice by:

- initiating and contributing to policy debates
- providing decision-makers with high quality information and analysis
- ensuring that all learners are enabled to make connections across areas of learning that support an education for engineering
- highlighting the needs of future engineers and routes into engineering that are open to all

The Institution's interests continue to be represented via the "Group C" representative who reports back on matters relating to Engineering Council policy and standards. This is IAgrE's communications channel to and from Registrants. IAgrE is well represented on Engineering Council committees. Malcolm Carr-West is IAgrE's nominated EngC volunteer and sits on the Quality Assurance Committee and also acts as alternate to the IAgrE Chief Executive on the important EngTech Working Group.

IAgrE continues to support the Royal Academy of Engineering Initiative *Engineering the Future*. In the autumn of 2015, IAgrE supported a well-attended Royal Academy of Engineering event which focused on innovation in agricultural engineering. This was very well received and offered a very good platform for the institution to showcase the industry to a wider audience.

### Landbased Technician Accreditation

IAgrE continues to administer the Landbased Technician Accreditation (LTA) scheme. After a period of limited growth, the number of higher level registrations grew in 2015. This has added to the number of IAgrE members and Engineering Technician registrations. The scheme has been developed to cover after-market professionals and parts people.

The LTA scheme Co-ordinator – David Kirschner – continues to support the LTA scheme and works with manufacturers to maintain the quality of the scheme. Together with BAGMA and AEA, IAgrE contributes towards the costs associated with this position. During 2015, work has commenced to review the LTA scheme with a view to increasing levels of initial registration, improving progression through the tiers, and growing the number of manufacturers and importers involved. A version of LTA for those independent dealers non-aligned to a manufacturer has been slow in progressing and will be the subject of renewed focus in 2016. The Parts Scheme continues to grow.

The Parloursafe scheme for the milking equipment sector, has further evolved during the year. This scheme is comparable to the existing LTA scheme but with the only qualification in the sector being provided by Reaseheath College which, in conjunction with Milking Equipment Association members, has developed a modular course covering all three substantive Categories within the scheme. EngTech registration through IAgrE is available for those registered at Parloursafe Category 3 and 4.

A subset of the IAgrE Membership Committee oversees arrangements to ensure rigour and transparency of process of LTA/Parloursafe matters relating to IAgrE membership, Engineering Council, and Society for the Environment registration. IAgrE audits manufacturers' training programmes as part of the LTA/Parloursafe schemes.

LTA Numbers at the end of 2015 are as follows:

Tier	LTA	Parloursafe	Parts
1	1960	178	91
2	812	320	-
3	158	-	-
4	55	-	-

### Education

The Institution continues to establish relationships with colleges and universities. Free IAgrE membership (funded through the Douglas Bomford Trust) is afforded to students and pre-professionals following UK recognised qualifications in agricultural engineering and associated subjects. This brings a significant number of potential IAgrE members and work is ongoing to improve the retention and progression rate for this group of people. IAgrE has contact with most relevant colleges and universities and is growing this number as new providers enter the market.

Working with industry, BAGMA, AEA and other stakeholders, IAgrE has supported the development of new apprenticeship programmes in Landbased Service Engineering at foundation and advanced levels. It has supported the work of awarding bodies as they develop and improve vocational qualifications. The Institution has continued to work with university and college partners to offer accreditation of those vocational programmes and undergraduate and post graduate degrees eligible for Engineering Council recognition.

The promotion of careers in Landbased and agricultural engineering has continued in 2015 with IAgrE working with industry partners to develop a range of new marketing collateral and a website ([www.landbasedengineering.co.uk](http://www.landbasedengineering.co.uk)) designed to encourage the take up of careers and qualifications. Linked to this, IAgrE has made various presentations at colleges and national events to promote careers opportunities. This has been augmented by the Institution's work to promote the industry through social media, press release and radio interviews.

### Society for the Environment

The Society for the Environment (Soc Env) has been through a period of change and a new Chief Executive was appointed in 2015. IAgrE continues to maintain a productive working relationship with SocEnv. The total number of Chartered Environmentalists nationally is in excess of 7000. The IAgrE Chief Executive/Secretary and Professor Mark Kibblewhite represent IAgrE on the SocEnv Board of Directors. IAgrE CEO sits on the Registration Authority of SocEnv.

IAgrE has offered SocEnv considerable support during 2015. In the run up to the election, an article to influence policy makers was written and the President participated in a lively discussion. In September, IAgrE organised a visit to the National Centre for Precision Farming at Harper Adams University which demonstrated the complexity of the IAgrE engineering discipline in terms of environmental management.

### Publications

The Publications Management Committee meets regularly to facilitate and monitor the development of all IAgrE publication activities.

Biosystems Engineering – IAgrE’s scientific journal – continues to thrive with a further increase in electronic downloads. The Editorial team works hard to maintain the high quality of published papers. The number of papers submitted to Biosystems Engineering has grown significantly again during 2015, resulting in the recruitment of two additional Associate Editors.

The Biosystems Engineering editorial team comprises:

- Prof Bill Day (Editor-in-Chief)
- Dr Steve Parkin (Managing Editor)
- Dr Dvoralai Wulfsohn (Associate Editor)
- John Gowing (Associate Editor)
- Dr Stavros Vougioukas (Associate Editor)

Biosystems Engineering forms an important component of IAgrE’s portfolio. Income from the publishing contract with Elsevier was again in excess of the guaranteed sum. A substantially reduced on-line subscription to Biosystems Engineering is available to IAgrE members – a significant benefit to members. Limited free downloads are also available to members. During 2015 a number of special editions were produced.

Chris Biddle continues to edit and produce the IAgrE member journal Landwards which is consistently well received. Regular pre-production meetings are held at the IAgrE Office with the Secretariat team in attendance. In response to members’ requests there has been an increased emphasis on technical articles. Further new ideas and refinements were approved and will be introduced during 2016.

Landwards e-Xtra continues as an electronic platform for longer articles too large for the paper edition. Landwards is available electronically – immediately after publication for members and 6 months after publication for non-members.

### Branches

Regional branches are active around the country although some of these do have difficulties maintaining a viable programme. These branches offer a useful range of events and meetings which are well received by members.

A few areas continue to run without an effective Branch but every effort is made to accommodate members in these areas, by both including such members in adjacent groupings of by “special” events at or close to their geographical location.

In some regions, colleges and universities have expressed an interest in acting as an IAgrE Hub offering a limited number of events and meetings to meet the needs of members and others within their region. This concept will be developed during 2016.

### Volunteers

Volunteers form the backbone of the IAgrE and are closely involved with the Executive Committee, Council, Branches, Specialist Groups, Membership, Training and Education, Publications Management and Awards Committees. These work well with Secretariat staff who work hard to secure more involvement from a wider group of membership volunteers.

### Technical Groups

It is clear that the most successful events are those that are issue driven. The success of Technical Groups tends to ebb and flow as the technical problems facing our sector also change. What is also clear is that with the combined threats of an ever rising population and climate change, issues affecting our sector will be increasingly in the public eye. A Council discussion on Technical Groups took place in 2015 which was helpful in identifying some new potential areas and subjects.

The Forestry Engineering Group (FEG) continues to be active although the 2015 symposium was cancelled on account of low numbers. The FEG model (where FEG members need not necessarily be members of IAgrE) could be extended to other groupings.

A new Health and Safety Specialist Interest Group was launched during late 2014 and offers a range of events and on-line access to resources.

### Awards

The 2015 IAgrE Awards Ceremony was held during the Spring AGM at AGCO

#### IAgrE Award of Merit

Prof Brian Chambers (posthumous)  
Roger Lane-Nott FIAgrE

#### IAgrE Award For Contribution to Landbased Industries

Richard Trevarthen IEng MIAgrE

#### Michael Dwyer Memorial Prize

Jeremy Burgess (MD, Sparex Group)

#### Branch Meritorious Service Award

James Hunter AMIAgrE (SEM Branch)

Bruce Hamilton EngTech MIAgrE (FE Group)

#### Johnson New Holland Award (presented at LAMMA)

Owen Doran (Inst of Technology Tralee)

#### IAgrE Student Project Award (presented at LAMMA)

Emyr Jones (Coleg Sir Gar)

## IAgrE Student Project Safety Award (presented at LAMMA)

Owen Doran (Inst of Technology Tralee)

## Douglas Bomford Paper Award

Chris Saunders AMIAgrE

## Ivel Award (presented at LAMMA)

Trelleborg Wheel Systems UK Ltd

**The IAgrE British Guild of Agricultural Journalist Award**, awarded for the best article/broadcast on the application of engineering within the landbased sector from a member of the Guild. The 2015 winner was Andy Collings.

### Events

IAgrE consistently puts on relevant events to a high standard. The Institution would not exist without these events and thanks are due to the largely volunteer organisers and planners. This year we started to attend several national events and plan more in 2016. IAgrE activities of note during the year included:

- IAgrE Landwards 2015 Conference – *Too much or too little water? Engineering innovation for agricultural water management in a changing climate* – Newcastle University May 2015
- AGM & Awards Event - AGCO Ltd – April 2015
- Young Engineers Competition – GreenMech – March 2015
- RA Eng *Innovations in Agricultural Engineering* October 2015

### Membership and Registration Numbers

IAgrE exists as an organisation in order to offer professional qualifications, not only because it has licences from the EngC and SocEnv to do so, but also as a professional organisation in its own right offering professional status via a suite of membership grades. To maintain this status, IAgrE has to be seen to have fair, rigorous and transparent procedures. These procedures are used by the IAgrE Membership Committee (MemCom) and audited by the IAgrE Internal Audit Panel. The efficient operation of these two groups is essential to the smooth running of IAgrE

The Internal Audit Panel reporting procedures ensure that Council and Executive are informed of outcomes. The panel also carry out audits of LTA/Parloursafe related procedures. This Panel's assistance in preparing for the regular re-licensing visits from the EngC and SocEnv is invaluable.

Membership numbers remained constant compared to last year but with a net outflow of 35 Corporate Members. At the year-end, the breakdown of membership was as follows:

	2015	2014	Change
Hon Fellow*	15	15	0
Fellow*	141	150	-9
Member*	650	662	-12
Associate Member	403	402	+1
Associate	213	222	-9

Pre-professional	762	644	+118
Student (DBT)	<u>822</u>	<u>849</u>	<u>-27</u>
<b>Totals</b>	<b><u>3006</u></b>	<b><u>2944</u></b>	<b><u>+72</u></b>

\* Corporate Members.

There are a significant percentage of Corporate Members (Member, Fellow, Hon Fellow) registered through the EC. The breakdown of registrants is shown below:

	2015	2014	Change
Chartered Engineer	232	234	-2
Incorporated	176	187	-11
Engineer	<u>292</u>	<u>296</u>	<u>-4</u>
Engineering Technician	<u>700</u>	<u>717</u>	<u>-17</u>
<b>Totals</b>			

IAgrE faces the challenge of persuading its existing qualifying members to submit applications although there was an upturn in applications towards the end of 2015. Current CEnv registrations through IAgrE are:

	2015	2014	Change
Chartered Environmentalist	139	140	-1

### Financial Review

#### Results

The Statement of Financial Activities (SOFA) for the year is set out on page 10 of the financial statements. The surplus for the year, including gains on investments is £67,266 which represents an increase when compared to the 2014 figure of £55,652. Charitable income has increased from £345,062 in 2014 to £359,467 in 2015 mainly due to an increase in income from publications. All other sources of income are largely unchanged.

The resources expended in 2015 were £317,055, a reduction of £4,416 compared with 2014. This fall is despite a modest increase in staffing costs and reflects reduced costs associated with publications and a reduced need for funds to support the promotion of the Landbased Technician Accreditation Scheme.

The results for the year to December 2015 show an operating surplus of £42,412 compared with a surplus of £23,591 in 2014. This growth is largely on account of growth in publication sales.

On 31 December 2015, total investments stood at £615,699. Realised gains on investment assets in 2015 are £7,109. Unrealised gains are £17,745 in 2015.

#### Reserves and Investments Policy

Council continues to monitor and review IAgrE's need for reserves, and associated investments, in line with the guidance issued by the Charity Commission.



The financial reserves have been set aside over the years to provide financial stability, business continuity, and the means for the development of IAgrE's principal activities as defined in the Memorandum and Articles of Association. Total reserves have historically been maintained at a level that is at least equivalent to one year's budgeted expenditure.

Part of the total reserve is held as Designated Funds. A Building Fund for the replacement of the Secretariat building stands at £340,000. The IAgrE lease with Cranfield University runs to 2056 and, whilst there is no plan to move from Cranfield in the foreseeable future, it is considered prudent to continue to allocate reserves, whilst circumstances allow, against possible future building purchases.

Annual IAgrE budgets are set to break even, with exceptional expenditure authorised from reserves from time to time. Reserves are utilised for the benefit of the whole membership at Council's discretion.

### Summarised Financial Statements

Summarised financial statements are shown on pages 7 and 8 of the IAgrE Annual Report and Summary Accounts. These are extracted from pages 9 and 10 of the full statutory Trustees Report and Financial Statements of the Institution of Agricultural Engineers which were approved by the Council on 11 February 2016. The full financial statements, on which Landers Accountants Ltd gave an unqualified independent examiners report on 29 February 2016 will be submitted to the Charity Commission and Companies House.

The reporting accountants have confirmed to the Trustees that, in their opinion, the financial statements are consistent with the financial records held by the IAgrE secretariat for the year ended 31 December 2015.

### Further Information

These summarised financial statements may not contain sufficient information to gain a complete understanding of the financial affairs of the charity. The full statutory Trustees Report and Financial Statements and reporting accountants report may be obtained from the IAgrE Secretariat:

*Institution of Agricultural Engineers  
The Bullock Building  
University Way  
Cranfield  
Bedford  
MK43 0GH*

The above report is approved by Council and agreed to be signed on its behalf by:

A J Taylor  
Secretary

### Looking Forward

In 2016, the Institution of Agricultural Engineers intends to meet its key aims by:

- Conducting a review of its Memorandum and Articles of Association in order that these are fit for purpose, together with ensuring the Institution continues to meet its charitable objectives.
- Retaining existing members by providing a good quality service with ongoing promotion of mentoring and registration opportunities.
- Preparing for the introduction of monitoring of members Continuing Professional Development.
- Continuing its focus on growing the number of student and pre-professional members and supporting these so that they continue with Institution membership and professional registration.
- Developing a strategy to recruit new members from the broader Agritech sector.
- Promoting higher grades of membership and professional registration to the existing membership.
- Promoting Academic and Commercial membership to those organisations associated with agricultural engineering, biosystems engineering and landbased service engineering.
- Continuing to provide opportunities for members to access learning and development opportunities including branch activities and an annual conference.
- Refreshing the Institution website at [www.iagre.org](http://www.iagre.org) so that this presents the best possible and informative experience for new and existing members, together with those with an interest in the industry.
- Continuing to work with industry partners and stakeholders to promote careers in the agricultural engineering industry.
- Working with industry to bring forward enhancements to the Landbased Technician Accreditation Scheme in order that a greater number of technicians benefit from being professionally recognised.
- Working closely with new and emerging Agritech Innovation Centres to act as a conduit for learning and knowledge as they relate to research and innovation.

11th February 2016

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF  
THE INSTITUTION OF AGRICULTURAL ENGINEERS  
(LIMITED BY GUARANTEE)**

We report on the accounts of the company for the year ended 31 December 2015 which are set out on pages 9-20.

**Respective responsibilities of trustees and examiner**

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and we are qualified to undertake the examination by being a qualified member of The Institute of Chartered Accountants in England and Wales.

Having satisfied ourselves that the charity is not subject to an audit under company law and is eligible for independent examination, it is our responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to our attention.

**Basis of independent examiner's statement**

Our examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

**Independent examiner's statement**

In connection with our examination, no matter has come to our attention:

- 1 which gives us reasonable cause to believe that, in any material respect, the requirements:
  - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
  - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- 2 to which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

*Landers Accountants Ltd*

LANDERS ACCOUNTANTS LTD  
Chartered Accountants  
Registered Auditors  
Church View Chambers  
38 Market Square  
Toddington  
Bedfordshire  
LU5 6BS  
29 February 2016

**THE INSTITUTION OF AGRICULTURAL ENGINEERS**  
(LIMITED BY GUARANTEE)  
(Company registration number 00648041)  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING INCOME & EXPENDITURE ACCOUNT)**  
**YEAR ENDED 31ST DECEMBER 2015**

	Notes	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds:</b>					
Voluntary income:					
Donations	3	168	-	168	36
Activities for generating funds:					
Other income	4	3,450	-	3,450	3,375
Investment income		16,899	-	16,899	7,608
<b>Incoming resources from charitable activities:</b>					
	5				
Members' subscriptions and fees		143,966	-	143,966	143,224
Affiliated organisations		3,195	-	3,195	3,390
Income from publications		184,376	-	184,376	178,883
Landbased Technician Accreditation scheme		5,651	-	5,651	5,407
Net conference income		1,762	-	1,762	3,139
<b>Total incoming resources</b>		<b>359,467</b>	<b>-</b>	<b>359,467</b>	<b>345,062</b>
<b>Resources expended</b>					
<b>Costs of generating funds:</b>					
Investment management costs	6	4,295	-	4,295	3,529
<b>Costs of charitable activities</b>	6	296,993	-	296,993	303,732
			-	-	
<b>Governance costs</b>	6	15,767	-	15,767	14,210
<b>Total resources expended</b>		<b>317,055</b>	<b>-</b>	<b>317,055</b>	<b>321,471</b>
<b>Net incoming resources before other recognised gains</b>		42,412	-	42,412	23,591
<b>Other recognised gains</b>					
Realised gains / (losses) on investment assets	11	7,109	-	7,109	24,468
<b>Net income for the year</b>		<b>49,521</b>	<b>-</b>	<b>49,521</b>	<b>48,059</b>
Unrealised gains / (losses) on investment assets	11	17,745	-	17,745	7,593
<b>Net movement in funds</b>		<b>67,266</b>	<b>-</b>	<b>67,266</b>	<b>55,652</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		794,259	-	794,259	738,607
<b>Total funds carried forward</b>	15	<b>861,525</b>	<b>-</b>	<b>861,525</b>	<b>794,259</b>

The notes on pages 12 to 20 form part of these financial statements.

**THE INSTITUTION OF AGRICULTURAL ENGINEERS**  
(LIMITED BY GUARANTEE)  
(Company registration number 00648041)  
**BALANCE SHEET**  
**31ST DECEMBER 2015**

		<b>2015</b>		<b>2014</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible assets	10	3,967		3,597	
Investments	11	615,699		580,830	
			619,666		584,427
<b>Current assets</b>					
Stock		2,225		1,510	
Debtors	12	102,761		99,705	
Short term deposits		177,260		162,014	
Cash at bank and in hand		5,412		8,481	
		287,658		271,710	
<b>Creditors : Amounts falling due within one year</b>	13	(45,799)		(61,878)	
<b>Net current assets</b>			241,859		209,832
<b>Net assets</b>			<b>861,525</b>		<b>794,259</b>
<b>Unrestricted funds</b>	15				
Designated funds			344,630		324,677
Revaluation funds			151,566		131,603
General funds			365,329		337,979
<b>Total funds</b>			<b>861,525</b>		<b>794,259</b>

The notes on pages 12 to 20 form part of these financial statements.

**THE INSTITUTION OF AGRICULTURAL ENGINEERS**  
**(LIMITED BY GUARANTEE)**  
**(Company registration number 00648041)**  
**BALANCE SHEET (Continued)**  
**31ST DECEMBER 2015**

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2015.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2015 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015)

The financial statements were approved by the Board on 11 February 2016 and signed on its behalf.

.....  
M G Kibblewhite  
President

.....  
P C H Miller  
Honorary Treasurer

The notes on pages 12 to 20 form part of these financial statements.

**THE INSTITUTION OF AGRICULTURAL ENGINEERS  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST DECEMBER 2015**

**1. Company status**

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**2. Accounting policies**

**(i) Basis of accounting**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statements of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16/07/14, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**(ii) Fund accounting**

Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the charity. Unrestricted funds include a revaluation reserve representing the restatement of investment assets at market values.

Designated funds are unrestricted funds earmarked by the directors for particular purposes.

**(iii) 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:

Voluntary income is received by way of donations and is included in full in the Statement of Financial Activities when receivable.

Investment income is included when receivable.

Members' subscriptions and fees received in advance are deferred to the period to which they relate.

**THE INSTITUTION OF AGRICULTURAL ENGINEERS  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST DECEMBER 2015**

**2. Accounting policies (cont.)**

**(iv) Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, which is reported separately in the total resources expended note.

Costs of generating funds comprise the costs incurred in managing the charity's fixed asset investments.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. 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 independent review 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, others are apportioned on a staff time basis.

**(v) Fixed assets**

Fixed assets (excluding investments) are stated at cost less accumulated depreciation. The costs of minor additions or those below £100 are not capitalised. Depreciation is provided using the straight line method at rates calculated to write off the cost of each asset over its expected useful life at the following rates:-

Furniture and Fittings	25%
Computer and Equipment	25%

**(vi) Investments**

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

**THE INSTITUTION OF AGRICULTURAL ENGINEERS  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST DECEMBER 2015**

**2. Accounting policies (cont.)**

**(vii) Stock**

Stock is stated at the lower of cost and net realisable value.

Cost is the cost incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less further costs to be incurred to completion and disposal.

**(viii) Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net income for the year.

**3. Donations**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2015 Total</b>	<b>2014 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Donations	168	-	168	36
	<b>168</b>	<b>-</b>	<b>168</b>	<b>36</b>

**4. Other income**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2015 Total</b>	<b>2014 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
EurAgEng secretariat	1,500	-	1,500	1,500
Process fees	735	-	735	735
Sundry sales	1,215	-	1,215	1,140
	<b>3,450</b>	<b>-</b>	<b>3,450</b>	<b>3,375</b>



**THE INSTITUTION OF AGRICULTURAL ENGINEERS**  
(LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 2015**

**5. Incoming resources from activities to further the charity's objectives**

	Unrestricted	Restricted	2015 Total	2014 Total
	£	£	£	£
Members' subscriptions and fees	171,962	-	171,962	169,619
Less: Engineering Council fees	(16,097)	-	(16,097)	(14,360)
Society for the Environment fees	(6,110)	-	(6,110)	(6,059)
EurAgEng fees	(5,789)	-	(5,789)	(5,976)
	143,966		143,966	143,224
Affiliated organisations	3,195	-	3,195	3,390
Income from publications	184,376	-	184,376	178,883
Landbased Technician Accreditation scheme	5,651	-	5,651	5,407
Net conference income	1,762	-	1,762	3,139
	<b>338,950</b>	<b>-</b>	<b>338,950</b>	<b>334,043</b>

Income from publications includes guaranteed accrued income of £96,000, receivable in Spring 2016, arising from Biosystems Engineering.

**THE INSTITUTION OF AGRICULTURAL ENGINEERS**  
(LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 2015**

**6. Total resources expended**

	Investment income £	Members' subscriptions and fees £	Income from publications £	Governance £	2015 Total £	2014 Total £
<b>Costs directly allocated to activities</b>						
Staff costs		112,379		8,415	120,794	118,453
Accommodation and premises costs		6,320		421	6,741	5,037
Office/stationery costs		7,029		1,622	8,651	11,148
Computer costs and support		2,484			2,484	4,036
Bank charges		2,362			2,362	2,471
Independent reviewer's fees				2,200	2,200	2,100
Legal costs				48	48	61
Depreciation		2,027			2,027	1,724
Costs associated with publications			96,890		96,890	98,547
LTA Project		4,591			4,591	17,043
Parloursafe Project		304			304	
Meetings and travel costs		6,270		2,612	8,882	9,903
Public relations and recruitment		26,926			26,926	18,352
Education and careers service		50			50	200
Subscriptions to other organisations		2,256			2,256	2,419
Services to members		2,547			2,547	1,960
Merchandise		10			10	25
Prizes and awards		1,646			1,646	3,447
Irrecoverable VAT		2,960			2,960	1,295
Trustee Indemnity Insurance				449	449	385
Investment management costs	4,295				4,295	3,529
<b>Support costs allocated to activities</b>						
Staff costs		15,139			15,139	13,850
Overheads		4,803			4,803	5,486
	<b>4,295</b>	<b>200,103</b>	<b>96,890</b>	<b>15,767</b>	<b>317,055</b>	<b>321,471</b>

**7. Net incoming resources for the year**

This is stated after charging:	2015 £	2014 £
Depreciation	2,534	2,155
Independent examiner's remuneration	2,200	2,100
	<u>4,734</u>	<u>4,255</u>

**THE INSTITUTION OF AGRICULTURAL ENGINEERS  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST DECEMBER 2015**

**8. Staff costs and numbers**

Staff costs were as follows:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Wages and salaries	121,319	114,968
Social security costs	9,488	11,650
Pension costs	5,127	5,177
Recruitment costs	-	509
	<u>135,933</u>	<u>132,304</u>

No employee earned £60,000 per annum or more.

The average number of employees, analysed by function, was:-

	<b>2015</b>	<b>2014</b>
Membership services	2	2
Management and administration of the charity	2	2
	<u>4</u>	<u>4</u>

The company operates a defined contribution pension scheme. The cost during the year was £5,127 (2014 : £5,177). The amount owed at the year end was £2,194 (2014 : £5,574)

**9. Operating lease commitments**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
The following operating lease payments are committed to be paid within one year	1,450	1,450
Expiring		
In more than five years	<u>3,680</u>	<u>3,659</u>

**THE INSTITUTION OF AGRICULTURAL ENGINEERS**  
(LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 2015**

**10. Tangible fixed assets**

	Furniture & fittings £	Computer & equipment £	Software £	Total £
Cost:				
At 1st January 2015	3,110	20,049	-	23,159
Additions	-	2,904		2,904
Disposals	-			-
At 31st December 2015	<u>3,110</u>	<u>22,953</u>	-	<u>26,063</u>
Depreciation:				
At 1st January 2015	2960	16,602	-	19,562
Charge for Year	74	2,460		2,534
On disposal				-
At 31st December 2015	<u>3,034</u>	<u>19,062</u>	-	<u>22,096</u>
Net Book Value:				
At 31st December 2015	<u>76</u>	<u>3,891</u>	-	<u>3,967</u>
At 31st December 2014	<u>150</u>	<u>3,447</u>	-	<u>3,597</u>

**11. Fixed asset investments**

	2015 £	2014 £
<b>Quoted investments</b>		
Market value 1st January 2015	580,830	393,212
Additions to investments at cost	56,963	269,565
Disposals at carrying value	(42,058)	(104,452)
Realised Gain on revaluation	7,109	24,468
Unrealised Gain on revaluation	17,745	2,225
Portfolio charges paid via investment funds	(4,891)	(4,188)
Market value 31st December 2015	<u>615,699</u>	<u>580,830</u>
Historic cost as at 31st December 2015	<u>507,793</u>	<u>485,754</u>

Investments are held in the following categories at the year end:

	Inside UK £	Outside UK £	2015 £	2014 £
Properties	212,856		212,856	193,250
Unit Trusts	198,234	108,882	307,116	311,494
Fixed interest securities	49,269		49,269	50,184
Cash	31,344		31,344	15,956
Other investments	15,114		15,114	9,946
	<u>506,817</u>	<u>108,882</u>	<u>615,699</u>	<u>580,830</u>

**THE INSTITUTION OF AGRICULTURAL ENGINEERS**  
(LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 2015**

**12. Debtors**

	2015	2014
	£	£
Membership and journal debtors	1,770	442
Other debtors	98,114	97,227
Prepayments	2,877	2,036
	<u>102,761</u>	<u>99,705</u>

**13. Creditors: amounts falling due within one year**

	2015	2014
	£	£
Creditors	162	55
Subscriptions paid in advance	31,850	48,077
Tax and social security	2,964	3,081
Accruals	10,823	10,665
	<u>45,799</u>	<u>61,878</u>

**14. Analysis of net assets between funds**

	General funds	Designated funds	Revaluation funds	Restricted funds	Total funds
	£	£		£	£
Tangible fixed assets	3,967				3,967
Investments	119,503	344,630	151,566		615,699
Current assets	287,658				287,658
Current liabilities	(45,799)				(45,799)
Net assets at 31st December 2015	<u>365,329</u>	<u>344,630</u>	<u>151,566</u>	-	<u>861,525</u>

**THE INSTITUTION OF AGRICULTURAL ENGINEERS**  
(LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 2015**

**15. Movements in funds**

	At 1 Jan 2015	Incoming resources (inc. gains)	Outgoing resources (inc. losses)	Transfers	At 31 Dec 2015
<b>Unrestricted funds:</b>					
Designated building fund	320,000			20,000	340,000
Designated memorial fund	4,677	17	(64)		4,630
Revaluation fund	131,603	24,854	(4,891)		151,566
General funds	337,979	359,450	(312,100)	(20,000)	365,329
Total unrestricted funds	<u>794,259</u>	<u>384,321</u>	<u>(317,055)</u>	-	<u>861,525</u>
Total funds	<u>794,259</u>	<u>384,321</u>	<u>(317,055)</u>	-	<u>861,525</u>

Purposes of designated funds

Building fund: The directors have set aside funds towards the replacement of the Secretariat Building. An additional £20,000 has been transferred to the fund this year to bring the total to £340,000.

Memorial fund: This money has been set aside to fund an annual memorial award in memory of the late Dr M Dwyer, Institution of Agricultural Engineers President at the time of his death in 1997.

Revaluation reserve fund: The revaluation reserve fund is required by the Companies Act 2006 and represents the amount by which investments exceed their historical cost.

**16. Directors' remuneration and related party transactions**

Dr C S Parkin, Chairman of the Membership Committee, and thus member of IAgRE Executive, is contracted as managing editor of Biosystems Engineering, the scientific journal owned and published by The Institution of Agricultural Engineers. Dr Parkin was appointed following an invitation to tender, and The Institution of Agricultural Engineer's Council is confident that this contract is in the best interests of The Institution of Agricultural Engineers. Dr Parkin does not participate in any council discussions relating to the management of Biosystems Engineering.

The total income from Biosystems Engineering for the year ended 31 December 2015 is £180,788 (2014: £167,956) and the total expenditure relating to Biosystems Engineering in the same period is £65,378 (2014: £59,470). Included within this expenditure is £28,669 paid to Dr C S Parkin (including £779 of expenses reimbursed on Biosystems Engineering business)

No other director received any remuneration during the year. Travel costs amounting to £1,651 (2014: £1,554) were reimbursed to four directors.

**17. Controlling Party**

The company is controlled jointly by the board of Trustees.