

**Company No. 00648041**  
**Charity No. 257303**

**THE INSTITUTION OF AGRICULTURAL ENGINEERS**  
**(LIMITED BY GUARANTEE)**  
**REPORT AND FINANCIAL STATEMENTS**  
**31ST DECEMBER 2016**

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 2016**

**INDEX**

	Page
COMPANY INFORMATION	1
REPORT OF THE TRUSTEES	2-6
REPORT OF THE INDEPENDENT EXAMINER	7-8
STATEMENT OF FINANCIAL ACTIVITIES	9
BALANCE SHEET	10-11
NOTES TO THE FINANCIAL STATEMENTS	12-21

# THE INSTITUTION OF AGRICULTURAL ENGINEERS

(LIMITED BY GUARANTEE)

## COMPANY INFORMATION

### TRUSTEES

Dr R J Merrall  
Mr A C Newbold  
Prof M G Kibblewhite  
Mr P N Leech  
Mr S C Constable  
Mr G P Higginson  
Prof R J Rickson (Appointed 28 April 2016)  
Dr M Moore (Appointed 28 April 2016)  
Dr E D Chesmore (Appointed 28 April 2016)  
Mr M StJ Carr-West (Appointed 28 April 2016)  
Mr I Sumpter (Appointed 28 April 2016)

### PRESIDENT

Dr R J Merrall

### 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  
EC2 7QP

## 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 as above are all for the public benefit and, 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 2016. 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 2016 these included a visit to Cranfield University, JCB in Staffordshire and Manchester University. Matters for discussion included the 21<sup>st</sup> Century PEI initiative, the update to Memorandum & Articles of Association and future hot topics. 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

**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** provides Conference/Branch/Group support, database/records administration and manages communications through the e-mail marketing system.

**Sally Wood** 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.

## 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 also confirm that they have taken due regard to Charity Commission guidance on public benefit.

## Trustees

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

Dr R J Merrall (President)	Mr P N Leech
Professor M G Kibblewhite	Mr A C Newbold
Mr S C Constable	Professor R J Rickson

Dr M Moore  
Mr G P Higginson  
Mr M StJ Carr-West

Dr E D Chesmore  
Mr I Sumpter

## Review of Activities

### Overview

IAgrE continues to place emphasis on the five-year development plan and has made good progress in delivering the business objectives which, whilst maintaining the need to operate within Charities rules and best practice have been set against the following business development themes:

- Promoting the value and benefits of IAgrE membership.
- Ensuring that the Engineering Council and Society for the Environment licences are maintained.
- Continuing to develop new business activities and income streams.
- Increasing the IAgrE profile with other institutions and stakeholders so that IAgrE is viewed as being influential, with good quality intelligence and intellectual capital.

### Strategic Developments

During 2016, the IAgrE redeveloped its website and members database. The website, launched in November 2016 continues to showcase the agricultural engineering industry as well as streamlining arrangements and information as they relate to membership. The existing member's area has been enhanced to allow for new and emerging specialist areas of engineering and communities.

The new membership records system allows better integration with website functions and links to industry standard security measures for on-line payments. This development has been complex given the information used by IAgrE as a membership organisation but at the turn of the year has started to settle down.

Going forwards, the images and words used on the website will be enhanced, in particular as they relate to attracting new members and meeting the needs of younger engineers and technologists. Members can still access a wide range of past information and this will be further developed as a benefit to the industry in line with IAgrE member's needs and interests.

The IAgrE Memorandum and Articles of Association, and related regulations and committee structures have been subject to a thorough review and re-write during 2016. The aim of this activity is to improve accessibility and language and to ensure that all current rules and legislation is met.

The IAgrE objectives as set out in the original Memorandum of Association remain largely unchanged with only minor updates to language and content to meet the twenty first century language and rules associated with Professional Engineering Institutions. Work has been undertaken to ensure that the multi-disciplinary aspects of Agricultural Engineering are properly represented.

The Articles of Association have been simplified and meet the requirements of Companies House rules and regulations. These now allow for alternative forms of communication, attendance at meetings and the issue of proxy votes where necessary. They also clarify the specific roles of the IAgrE Executive Committee as trustees and the IAgrE Advisory Council. Some aspects previously listed as Articles of Association have become IAgrE regulations thus allowing for more frequent review.

This review has also considered institution grades of membership and seeks to introduce a new grade for technicians and to clear up the potential for confusion between the Associate and Associate Member grades. The revised Memorandum and Articles of Association, together with regulations have been reviewed by the IAgrE Executive Committee, Council members, Engineering Council, Society for the Environment, Privy Council representatives and the Charities Commission. This will be put to a vote of IAgrE members at an Extra General Meeting later in 2017.

The need to sample IAgrE members Continuing Professional Development (CPD) records and to provide feedback has necessitated a wide range of developments to promote CPD, establish recording systems, introduce sampling arrangements, and to agree feedback protocols. This has given an enhanced role to the IAgrE Education and Training Committee with a new focus on promoting the Engineering Council "MyCareerPath" platform for recording and sampling members CPD.

Considerable thought has been given to new institution members with a range of emerging strategic partners being engaged as a potential source. IAgrE continues to promote membership to students and those immediately out university and college. The Membership Committee has been reviewed and new members recruited. This has double the number of assessors and interviewers. A new liaison officer from the Engineering Council has been appointed and has made a significant contribution to membership and registration matters.

A number of universities, colleges and machinery manufacturers have presented themselves for course accreditation during 2016 which has led to a busy schedule for the IAgrE Accreditation committee. All of this gives IAgrE an opportunity to promote membership and professional registration to a broader audience.

The benefits of IAgrE membership have been further reviewed with new marketing and website materials developed. Existing services such as communication with members, mentoring, support and promotion of CPD have been further refreshed.

The annual conference took place in November 2016. This is separated from the AGM and Awards ceremony and gives a more personal experience for both conference attendees and those members attending the Awards ceremony. The conference focused on the challenge of converting innovation from the concept stage through to production and sales. Four organisations sponsored the conference and combined with a good level of attendance, the conference was a great success.

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. Towards the end of 2016, IAgrE engaged with the government department of Business, Energy and Industrial Strategy to commence and investigation into the opportunities and challenges around moving Agri-Tech developments forward.

During 2016 three larger Professional Engineering Institutions conducted an independent review with a particular focus on the work of Engineering Council, Engineering UK and the Royal Academy of Engineering.

A new initiative led by the smaller institutions focuses on the twenty first century Professional Engineering institution (21<sup>st</sup> Century PEI). IAgrE have engaged with this initiative with some useful discussions around what needs to be done to make the

engineering profession and professional registration more appealing to young people. This project will go forwards in 2017 with scope for further helpful outputs and ideas.

## Services to Engineers

IAgrE continues to promote professionalism through the marketing of professional qualifications at all levels Engineering Technicians through to Chartered status. We continue to place strong emphasis on supporting Engineering UK and the Engineering Council (EngC). IAgrE 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

During the summer of 2016, IAgrE responded to a Royal Academy of Engineering call for evidence around the engineering priorities of the UK economy outside the EU with a good representation from IAgrE members.

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.

## Landbased Technician Accreditation (LTA)

IAgrE continues to work closely with BAGMA and AEA through the Landbased Engineering Training and Education Committee (LE-TEC) to support the LTA scheme and works with manufacturers to maintain the quality of the scheme.

Work to review the LTA scheme to increasing levels of initial registration, improving progression and grow the number of manufacturers and importers involved was completed during 2016. These revisions which simplify aspects of the LTA scheme and encourage more involvement from machinery suppliers and dealers was introduced in the autumn of 2016.

The Parloursafe scheme for milking equipment has further evolved during the year. This scheme is comparable to the LTA scheme with the only qualification in the sector being provided by Reaseheath College and Hartpury College which, in conjunction with Milking Equipment Association members, has developed a modular course covering the three Categories within the scheme.

The IAgrE Membership Committee oversees arrangements to ensure rigour and transparency of process of the LTA and Parloursafe matters relating to IAgrE membership, Engineering Council, and Society for the Environment registration.

LTA Numbers at the end of 2016 are as follows:

Tier	LTA	Parloursafe	Parts
Initial Registration	1863	203	111

Intermediate	712	327	-
Advanced	167	-	-
Master	58	-	-

## Education

IAgrE continues to establish relationships with colleges and universities and provides talks and seminars as required. 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.

Working with industry, IAgrE has supported the development of new apprenticeship programmes in Land-based Service Engineering at foundation and advanced levels. During 2016, these apprenticeships were expanded to meet the requirements of the construction and plant sector. The launch of these apprenticeships was delayed until 2017 to allow more time for detailed preparation.

## Society for the Environment

IAgrE continues to maintain a productive working relationship with SocEnv. The total number of Chartered Environmentalists nationally is in excess of 7000. IAgrE continues to recruit new Chartered Environmentalists. The IAgrE CEO and Professor Mark Kibblewhite represent IAgrE on the SocEnv Board of Directors. The IAgrE CEO sits on the Registration Authority of SocEnv.

## 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 Dvorlai Wulfsohn (Associate Editor)
- Dr 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 2016 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. Consideration is being given to a new members publication to provide technical information and bridge the gap between Landwards and Biosystems Engineering

## 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. For example an event was arranged at Plumpton College for students and members living in the South East. This was well received.

## 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.

## Awards

The 2016 IAgrE Awards Ceremony was held during the Spring AGM at AGCO

### Honorary Fellow

Geoffrey Freedman, IAgrE President 2000-02

### IAgrE Award of Merit

Ian Duff, MIAgrE

### IAgrE Award for Contribution to Landbased Industries

Nick Tillett, MIAgrE

Ronald Knight

### Michael Dwyer Memorial Prize

Andrew Kneen, Houseman Sprayers

Christopher Pett, Mastenbroek

### Branch Meritorious Service Award

David Tinker, FIAgrE (SE Midlands Branch)

David Yates, MIAgrE (East Midlands Branch)

Hugh McIlvenna, MIAgrE (Northern Ireland Branch)

### Johnson New Holland Award

Not awarded in 2016

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

Cennydd Hughes (Coleg Sir Gar)

### IAgrE Student Project Safety Award

Not awarded in 2016

### Douglas Bomford Paper Award

Dr James E Browne, AIAgrE

Dr J Peter Frost, MIAgrE

### Ivel Award (presented at LAMMA)

Poclain Hydraulics

**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 2016 winner was Mike Donovan.

## 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. These have been developed further using on-line social media platforms as a vehicle for communication.

The Forestry Engineering Group (FEG) continues to be active with a very successful, and well attended Symposium held at Newton Rigg College in September 2016.

## 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:

- LAMMA 2016 January 2016
- AGM & Awards Event – JCB – April 2016
- Young Engineers Competition – Knight’s – March 2016
- IAgrE Landwards Conference – Concepts to Cash – HAU November 2016

## 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 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 in 2016 remained generally constant compared to 2015. At the year-end, the breakdown of membership was as follows (it is noted that some student membership applications have been delayed by colleges and universities in order that it is more meaningful):

	2016	2015	Change
Hon Fellow*	16	15	+1
Fellow*	141	141	0
Member*	649	650	-1
Associate Member	440	403	+37
Associate	215	213	+2
Pre-professional	630	762	-132
Student (DBT)	<u>817</u>	<u>822</u>	<u>-5</u>
<b>Totals</b>	<b><u>2908</u></b>	<b><u>3006</u></b>	<b><u>-98</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:

	2016	2015	Change
Chartered Engineer	228	232	-4
Incorporated Engineer	171	176	-5
Engineering Technician	<u>323</u>	<u>292</u>	<u>+31</u>
<b>Totals</b>	<b><u>722</u></b>	<b><u>700</u></b>	<b><u>+22</u></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 2016. Current CEnv registrations through IAgrE are:

	2016	2015	Change
Chartered Environmentalist	139	139	0

## Financial Review

### Results

The Statement of Financial Activities (SOFA) for the year is set out on page 9 of the financial statements. The surplus for the year, including gains on investments is £64,008 which represents a slight decrease when compared to the 2015 figure of £67,266. Charitable income has increased from £359,467 in 2015 to £364,540 in 2016 mainly due to an increase in investment income. All other sources of income are largely unchanged, other than members' subscriptions and fees, which showed a slight decrease on last year.

The resources expended in 2016 were £345,135, a increase of £28,080 compared with 2015. This increase is mainly due to a significant amount of expenditure in relation to website and database development, with an increase of costs associated with publications also contributing to the increase.

The results for the year to December 2016 show an operating surplus of £19,404 compared with a surplus of £42,412 in 2015. This fall is largely due to the increased expenditure in the year, mainly in relation to website and database development.

On 31 December 2016, total investments stood at £676,335. Realised gains on investment assets in 2016 are £1,304. Unrealised gains are £43,300 in 2016.

### 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 (£925,534) 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 £360,000. 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 9 February 2017. The full financial statements, on which Landers Accountants Ltd gave an unqualified independent examiners report on 13 February 2017 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 2016.

### Further Information

The IAgrE 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.

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*

### Looking Forward

In 2017, the Institution of Agricultural Engineers intends to meet its keys aims by:

- Introduce formal sampling of members CPD and provide feedback on its quality and impact.
- Once adopted under the revised Memorandum and Articles of Association, promote new grades of membership to help bring the IAgrE to a new audience, particularly technicians.
- Design and introduce new strategies to recruit new, and retain existing IAgrE members
- Continue to provide a good quality service with ongoing promotion of mentoring and registration opportunities.
- Continuing its focus on growing the number of student and pre-professional members and supporting these into continued membership and professional registration.
- Introduce a new information source for members allowing them to access establishes and new sources of technical information.
- Establish a mechanism for obtain better representation and contribution from younger members.
- Investigate strategies to market the Biosystems Engineering journal to new audiences and to enhance its presence.
- Develop and renew relationships with new and existing university and education partners and continue to promote Academic and Commercial membership to those organisations associated with agricultural engineering and associated disciplines.
- Continuing to provide opportunities for members to access learning and development opportunities including branch activities and an annual conference.
- Continuing to work with industry partners and stakeholders to promote careers in the agricultural engineering industry.
- Further promote the Landbased Technician Accreditation Scheme in order that a greater number of technicians benefit from being professionally recognised.
- Continue to establish relationships with Agritech Innovation Centres to act as a conduit for learning and knowledge as they relate to research and innovation.



**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 2016 which are set out on pages 9-21.

**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 my attention.

**Basis of independent examiner's statement**

My 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 REPORT TO THE TRUSTEES  
OF THE INSTITUTION OF AGRICULTURAL ENGINEERS**

**(LIMITED BY GUARANTEE)  
(Continued)**

**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 Charities

have not been met; or

2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Martin Matthews  
LANDERS ACCOUNTANTS LTD  
Chartered Accountants  
Registered Auditors  
Church View Chambers  
38 Market Square  
Toddington  
Bedfordshire  
LU5 6BS

**THE INSTITUTION OF AGRICULTURAL ENGINEERS**  
**(LIMITED BY GUARANTEE)**  
(Company registration number 00648041)  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING INCOME & EXPENDITURE ACCOUNT)**  
**YEAR ENDED 31ST DECEMBER 2016**

	Notes	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds:</b>					
Voluntary income:					
Donations	3	120	-	120	168
Activities for generating funds:					
Other income	4	3,798	-	3,798	3,450
Investment income	6	24,063	-	24,063	16,899
<b>Incoming resources from charitable activities:</b>					
	5				
Members' subscriptions and fees		137,770	-	137,770	143,966
Affiliated organisations		3,920	-	3,920	3,195
Income from publications		184,568	-	184,568	184,376
Landbased Technician Accreditation scheme		5,729	-	5,729	5,651
Net conference income		4,572	-	4,572	1,762
<b>Total incoming resources</b>		<b>364,540</b>	<b>-</b>	<b>364,540</b>	<b>359,467</b>
<b>Resources expended</b>					
<b>Costs of generating funds:</b>					
Investment management costs	7	4,391	-	4,391	4,295
<b>Costs of charitable activities</b>	7	<b>324,085</b>	<b>-</b>	<b>324,085</b>	<b>296,993</b>
<b>Governance costs</b>	7	<b>16,659</b>	<b>-</b>	<b>16,659</b>	<b>15,767</b>
<b>Total resources expended</b>		<b>345,135</b>	<b>-</b>	<b>345,135</b>	<b>317,055</b>
<b>Net incoming resources before other recognised gains</b>		<b>19,405</b>	<b>-</b>	<b>19,405</b>	<b>42,412</b>
<b>Other recognised gains</b>					
Realised gains / (losses) on investment assets		1,304	-	1,304	7,109
<b>Net income for the year</b>		<b>20,709</b>	<b>-</b>	<b>20,709</b>	<b>49,521</b>
Unrealised gains / (losses) on investment assets		43,300	-	43,300	17,745
<b>Net movement in funds</b>		<b>64,009</b>	<b>-</b>	<b>64,009</b>	<b>67,266</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		861,525	-	861,525	794,259
<b>Total funds carried forward</b>		<b>925,534</b>	<b>-</b>	<b>925,534</b>	<b>861,525</b>

The notes on pages 12 to 21 form part of these financial statements.

**THE INSTITUTION OF AGRICULTURAL ENGINEERS**  
(LIMITED BY GUARANTEE)  
(Company registration number 00648041)  
**BALANCE SHEET**  
**31ST DECEMBER 2016**

		2016		2015	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11	2,312		3,967	
Investments	12	<u>676,335</u>		<u>615,699</u>	
			678,647		619,666
<b>Current assets</b>					
Inventories	15	2,410		2,225	
Debtors	13	101,139		102,761	
Investments	18	200,989		177,260	
Cash at bank and in hand		<u>8,288</u>		<u>5,412</u>	
		312,826		287,658	
<b>Creditors : Amounts falling due within one year</b>	14	<u>(65,939)</u>		<u>(45,799)</u>	
<b>Net current assets</b>			<u>246,887</u>		<u>241,859</u>
<b>Total assets less current liabilities</b>			925,534		861,525
<b>Net assets</b>			<u><u>925,534</u></u>		<u><u>861,525</u></u>
<b>Charity funds</b>	21				
Unrestricted funds			734,498		709,959
Revaluation funds			191,036		151,566
<b>Total charity funds</b>			<u><u>925,534</u></u>		<u><u>861,525</u></u>

The notes on pages 12 to 21 form part of these financial statements.

**THE INSTITUTION OF AGRICULTURAL ENGINEERS**  
**(LIMITED BY GUARANTEE)**  
**(Company registration number 00648041)**  
**BALANCE SHEET (Continued)**  
**31ST DECEMBER 2016**

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2016.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2016 in accordance with Section 476 of the Companies Act 2006.

The directors 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.

The financial statements were approved by the Board on 9 February 2017 and signed on its behalf.

.....  
R J Merrall  
President

.....  
P N Leech  
Honorary Treasurer

The notes on pages 12 to 21 form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 2016**

**1. Statutory information**

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. Its registered office is The Bullock Building (BLDG 53,) University Way, Cranfield, Bedfordshire, MK45 0GH.

**2. Accounting policies**

**(i) Basis of accounting**

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The charity adopted SORP (FRS 102) in the current year and an explanation of how transition to SORP (FRS 102) has affected the reported financial position and performance is given in note 23.

**(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 2016**

**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 recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

Current asset investments are short term liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

**(vii) Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

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

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST DECEMBER 2016**

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

**(viii) Inventories**

Inventories (also described as 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.

**(ix) 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.

**(x) Financial instruments**

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**3. Income from donations and legacies**

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Donations	120	-	120	168
	<b>120</b>	<b>-</b>	<b>120</b>	<b>168</b>

**4. Other income**

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
EurAgEng secretariat	1,500	-	1,500	1,500
Process fees	620	-	620	735
Sundry sales	1,678	-	1,678	1,215
	<b>3,798</b>	<b>-</b>	<b>3,798</b>	<b>3,450</b>



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 2016**

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

	Unrestricted	Restricted	2016 Total	2015 Total
	£	£	£	£
Members' subscriptions and fees	165,409	-	165,409	171,962
Less: Engineering Council fees	(15,769)	-	(15,769)	(16,097)
Society for the Environment fees	(6,290)	-	(6,290)	(6,110)
EurAgEng fees	(5,580)	-	(5,580)	(5,789)
	<u>137,770</u>		<u>137,770</u>	<u>143,966</u>
Affiliated organisations	3,920	-	3,920	3,195
Income from publications	184,568	-	184,568	184,376
Landbased Technician Accreditation scheme	5,729	-	5,729	5,651
Net conference income	4,572	-	4,572	1,762
	<u><b>336,559</b></u>	<u>-</u>	<u><b>336,559</b></u>	<u><b>338,950</b></u>

Income from publications includes guaranteed accrued income of £96,000, receivable in Spring 2017, arising from Biosystems Engineering.

**6. Income from investments**

	Unrestricted	Restricted	2016 Total	2015 Total
	£	£	£	£
Income from managed funds	24,063	-	24,063	16,899
	<u><b>24,063</b></u>	<u>-</u>	<u><b>24,063</b></u>	<u><b>16,899</b></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 2016**

**7. Total resources expended**

	Investment income £	Members' subscriptions and fees £	Income from publications £	Governance £	2016 Total £	2015 Total £
<b>Costs directly allocated to activities</b>						
Staff costs		111,764		8,929	120,693	120,794
Accommodation and premises costs		6,300		408	6,708	6,741
Office/stationery costs		7,058		1,629	8,687	8,651
Computer costs and support		2,860			2,860	2,484
Bank charges		3,110			3,110	2,362
Independent reviewer's fees				2,300	2,300	2,200
Legal costs				48	48	48
Depreciation		1,846			1,846	2,027
Costs associated with publications			107,416		107,416	96,890
LTA Project		5,357			5,357	4,591
Parloursafe Project					0	304
Meetings and travel costs		6,320		2,883	9,203	8,882
Website and database development		22,632			22,632	
Public relations and recruitment		18,119			18,119	26,926
Education and careers service					0	50
Subscriptions to other organisations		2,353			2,353	2,256
Services to members		2,131			2,131	2,547
Merchandise					0	10
Prizes and awards		2,938			2,938	1,646
Irrecoverable VAT		3,351			3,351	2,960
Trustee Indemnity Insurance				463	463	449
Investment management costs	4,391				4,391	4,295
	4,391	196,140	107,416	16,659	324,606	297,113
<b>Support costs allocated to activities</b>						
Staff costs		15,547			15,547	15,139
Overheads		4,982			4,982	4,803
	-	20,529	-	-	20,529	19,942
	<b>4,391</b>	<b>216,668</b>	<b>107,416</b>	<b>16,659</b>	<b>345,135</b>	<b>317,055</b>

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

This is stated after charging:	2016 £	2015 £
Depreciation	2,307	2,534
Independent examiner's remuneration	2,300	2,200
	<u>4,607</u>	<u>4,734</u>

The independent examiner's remuneration is solely for the examination fee.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 2016**

**9. Staff costs and numbers**

Staff costs were as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	122,557	121,319
Social security costs	8,431	9,488
Employer's contribution to defined contribution pension schemes	5,252	5,127
	<u>136,240</u>	<u>135,934</u>

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

The average monthly head count was 5 (2015: 5) and the average monthly number of full-time equivalent employees (including casual and part-time) during the year were as follows:

	<b>2016</b>	<b>2015</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 £5,252 (2015 : £5,127). The amount owed at the year end was £nil (2015 : £2,194)

The defined contribution expense is allocated to unrestricted funds and to the charitable activities of the trust; members' subscriptions and fees, and governance.

**10. Operating lease commitments**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
The following operating lease payments are committed		
Later than one and not later than five years	<u>4,680</u>	<u>1,450</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 2016**

**11. Tangible fixed assets**

	Furniture & fittings £	Computer & equipment £	Software £	Total £
Cost:				
At 1st January 2016	3,110	22,953	-	26,063
Additions	-	652		652
Disposals	-			-
At 31st December 2016	<u>3,110</u>	<u>23,605</u>	<u>-</u>	<u>26,715</u>
Depreciation:				
At 1st January 2016	3034	19,062	-	22,096
Charge for Year	74	2,233		2,307
On disposal				-
At 31st December 2016	<u>3,108</u>	<u>21,295</u>	<u>-</u>	<u>24,403</u>
Net Book Value:				
At 31st December 2016	<u>2</u>	<u>2,310</u>	<u>-</u>	<u>2,312</u>
At 31st December 2015	<u>76</u>	<u>3,891</u>	<u>-</u>	<u>3,967</u>

**12. Fixed asset investments**

	2016 £	2015 £
<b>Quoted investments</b>		
Market value 1st January 2016	615,699	580,830
Additions to investments at cost	73,855	56,964
Disposals at carrying value	(52,689)	(42,058)
Realised Gain on revaluation	1,304	7,109
Unrealised Gain on revaluation	43,300	17,745
Portfolio charges paid via investment funds	(5,134)	(4,891)
Market value 31st December 2016	<u>676,335</u>	<u>615,699</u>
Historic cost as at 31st December 2016	<u>525,421</u>	<u>507,793</u>

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

	Inside UK £	Outside UK £	2016 £	2015 £
Properties	212,429		212,429	212,856
Unit Trusts	213,307	143,528	356,835	307,116
Fixed interest securities	51,007		51,007	49,269
Cash	39,607		39,607	31,344
Other investments	16,457		16,457	15,114
	<u>532,807</u>	<u>143,528</u>	<u>676,335</u>	<u>615,699</u>

The value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 2016**

**13. Debtors**

	2016	2015
	£	£
Membership and journal debtors	1,971	1,770
Other debtors	97,207	98,114
Prepayments	1,961	2,877
	<u>101,139</u>	<u>102,761</u>

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

	2016	2015
	£	£
Creditors	26,984	162
Deferred income	27,888	31,850
Tax and social security	1,477	2,964
Accruals	9,590	10,823
	<u>65,939</u>	<u>45,799</u>

**15. Inventories**

	2016	2015
	£	£
Postage	85	84
Stationery	715	1,400
Ties	50	40
Printing	1,560	701
	<u>2,410</u>	<u>2,225</u>

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

	General funds	Designated funds	Revaluation funds	Restricted funds	Total funds
	£	£		£	£
Tangible fixed assets	2,312				2,312
Investments	120,801	364,498	191,036		676,335
Current assets	312,826				312,826
Current liabilities	(65,939)				(65,939)
Net assets at 31st December 2016	<u>370,001</u>	<u>364,498</u>	<u>191,036</u>	<u>-</u>	<u>925,535</u>

**17. Trustees' and key management personnel remuneration and expenses**

The trustees neither received nor waived any remuneration during the year (2016: £Nil).

The total amount of remuneration received by key management personnel was £62,877 (2015 - £64,627).  
The Trust considers its key management personnel comprise Alastair Taylor and Elizabeth Stephens.

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

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST DECEMBER 2016**

**18. Current asset investments**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Short term deposits	200,989	177,260
	<b>200,989</b>	<b>177,260</b>

Short term deposits consist of two bonds of £100,000 each, which have original maturities of one year, and interest rates of 1.8% and 1.55%.

**19. Financial instruments**

The carrying amounts of the charity's financial instruments are as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Measured at fair value through net income/expenditure:		
- Fixed asset listed investments (note 12)	676,335	615,699
Debt instruments measured at amortised cost:		
- Short term deposits (note 18)	200,989	177,260
	<b>877,324</b>	<b>792,959</b>

The income, expenses, net gains, and net losses attributable to the charity's financial instruments are summarised as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Income and expense</b>		
Financial assets measured at fair value through net income/expenditure	16,776	10,607
Financial assets measured at amortised cost	2,896	1,997
<b>Net gains and losses (including changes in fair value)</b>		
Financial assets measured at fair value through net income/expenditure	44,604	24,854

**20. Deferred income**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Subscriptions paid in advance	27,888	31,850
	<b>27,888</b>	<b>31,850</b>

Income has been deferred to recognise subscription receipts in line with the period to which they relate.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 2016**

**21. Movements in funds**

	At 1 Jan 2016	Incoming resources (inc. gains)	Outgoing resources (inc. losses)	Transfers	At 31 Dec 2016
<b>Unrestricted funds:</b>					
Designated building fund	340,000			20,000	360,000
Designated memorial fund	4,630		(132)		4,498
Revaluation fund	151,566	44,604	(5,134)		191,036
General funds	365,329	364,540	(339,869)	(20,000)	370,000
Total unrestricted funds	<u>861,525</u>	<u>409,144</u>	<u>(345,135)</u>	-	<u>925,534</u>
Total funds	<u>861,525</u>	<u>409,144</u>	<u>(345,135)</u>	-	<u>925,534</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 £360,000.

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.

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

Dr C S Parkin, Chairman of the Membership Committee until April 2016, 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 2016 is £181,571 (2015: £180,788) and the total expenditure relating to Biosystems Engineering in the same period is £76,763 (2015: £65,378). Included within this expenditure is £32,319 paid to Dr C S Parkin (including £1,471 of expenses reimbursed on Biosystems Engineering business)

No other director received any remuneration during the year. Travel costs amounting to £1,020 (2015: £1,651) were reimbursed to four directors.

**22. Controlling Party**

The company is controlled by the board of Trustees.

**23. First Year Adoption**

The transition to FRS102 has had no material effect on the opening equity and profit for the comparative period.