

Company No. 00648041
Charity No. 257303

THE INSTITUTION OF AGRICULTURAL ENGINEERS

(LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS

31ST DECEMBER 2018

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 2018

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 (Resigned 24 May 2018) Mr S C Constable Prof R J Rickson Dr M Moore Dr E D Chesmore Mr M StJ Carr-West Mr I Sumpter Mr P Hemingway (Appointed 24 May 2018) Mr K Franklin (Appointed 24 May 2018)
PRESIDENT	Prof R J Rickson
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

The remit of the Institution of Agricultural Engineers (IAgrE) was reviewed and the associated Memorandum and Articles of Association were updated in 2017. Established in 1938 (as the Institution of British Agricultural Engineers), the overall aims of 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 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 IAgrE. Further information on the aims of the Institution are detailed in the Memorandum and Articles of Association which are published at 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 2018. 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.

IAgrE is regulated by both the Charities Commission and by Company Law. An Advisory Council assists in setting the overall direction and policy 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 at the Annual General Meeting (AGM) and is responsible for executive action on all including Finance and General Purposes.

Advisory Council

Advisory Council meetings take place twice 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 2018 these included a visit to Moulton College in Northamptonshire and the Agri-EPI Centre at Harper Adams University. Matters for discussion included the role of the Royal Academy of Engineering, Professional Registration and the relationship with EurAgEng. Advisory 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. During the latter part of 2018 he increased his employment to four days a week.

Alison Chapman, continues as Membership Secretary and is closely involved in supporting the Membership Committee.

Sarah McLeod provides Events and Conference/Member/Branch/Group support, manages the CPD audit as well as supporting Council & Executive.

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.

Sabrina Sumpter was employed in 2017 to look after book keeping, the database and other projects and initiatives such as compliance with the General Data Protection Regulations (GDPR)

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 CEO 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 a website crash and/or database failure.
- Loss of income streams such as Biosystems Engineering and return on investments.

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:

Prof R J Rickson, President	Mr A C Newbold, Hon Treasurer
Dr R J Merrall	Dr E D Chesmore
Prof M G Kibblewhite	Mr P Hemingway
Mr S C Constable	Mr I Sumpter
Dr M Moore	Mr K Franklin
Mr M StJ Carr-West	

Review of Activities

Overview

IAgrE continues to place emphasis on the five-year development plan and has made 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

In the spring of 2018, a group of trustees, members and invited stakeholders spent some time together looking at the future of the institution and formulating thoughts on its future strategy and direction. This identified a range of priorities which will form the strategic development plan for the next few years. These include:

- Ensuring that the membership, other stakeholders and more general audiences have an improved understanding.
- Develop simpler, clearer messaging will enable easier engagement with target audiences.
- Better demonstrate the value of IAgrE to retain existing members, attract new ones and gain employers' backing.
- Converting from student to another class of membership.
- Investment of funds and resources to both promote IAgrE further and to retain membership.
- Use technology to communicate with members, engage them with IAgrE activities and promoting the Institution more widely.
- Continue to promote professionalism and high standards.
- Broader engagement with wider industry stakeholders with the aspiration that there could be mutual endorsement where appropriate.
- More events; both generic and specialist, and a revival of special interest groups with live streaming of branch meetings to increase the breadth of engagement.
- Use the IAgrE website better to give members access to research and information as well as an improved jobs page.

The Secretariat have started to progress these developments. A clearer strapline was developed with three clear messages defining IAgrE as being concerned with "supporting your professional life through enhancement of your professional networks, standing and knowledge". These words are being used extensively in presentations and marketing materials.

In 2018 the recently simplified Articles of Association have been implemented. These now allow for alternative forms of communication, attendance at meetings and the issue of proxy votes where necessary. This has led to more efficient and effective operation.

In 2018 the sampling of IAgrE members Continuing Professional Development (CPD) records continued. Successful use has been made of the Engineering Council "MyCareerPath" platform for recording and sampling members CPD. Those members chosen for

the CPD sampling exercise have benefited from good quality feedback which has been well received. IAgrE engages with a CPD forum to share best practice with other organisations and also contributes to an Engineering Council working group for this activity.

The Membership Committee continued to work effectively with good feedback from the Engineering Council liaison officer. Membership related procedures are reviewed annually with minor adjustments being made to reflect emerging requirements required for IAgrE to maintain its Engineering Council and Society for the Environment licences. IAgrE is actively involved with committee work for both licencing bodies including a review of the UK-SPEC standards for professional engineer registration.

Data protection arrangements continue to be reviewed in line with the General Data Protection Regulations which were enforced from May 2018. IAgrE has identified that it has a legitimate interest in recording data and communicating with members but has introduced and improved a range of procedures covering privacy, data breaches, and passwords. All changes have been communicated with members. The IAgrE Website has been improved accordingly.

In 2018, IAgrE celebrated its eightieth anniversary with a number of special events. The first of these was an awards ceremony held at Wrest Park where two well established members made a presentation about the history of IAgrE and associated Agricultural Engineering research and education facilities. This was recorded for posterity.

The annual conference took place in November 2018 at the Royal Academy of Engineering in London. This focused on collaboration and how the academic and research community can better link with partners to achieve sustainable outcomes. Attendance was strong with much good feedback following the event. This was considered to be a great way of celebrating the eightieth anniversary of the formation of IAgrE.

IAgrE continues to develop a productive working relationship with the Royal Academy of Engineering (RAEng) and is actively involved with a number of Academy initiatives. One of these was the hosting of a group of professional Agricultural Engineers from Africa as part of a project to establish the Pan African Society of Agricultural Engineers (AfroAgEng) as well as attending the inaugural conference of the society in Durban.

IAgrE is actively engaged in the RAEng Policy Centre which was set up in 2018. This has been effective in raising the profile of engineering for sustainable food production and global food security with policy influencers. Policy work on subjects such as energy, data, communications, autonomous vehicles and drones are all benefiting from IAgrE input.

Another RAEng project focusses on Engineering the Future and as part of this, IAgrE successfully bid for research funds to investigate the challenges around upskilling the workforce in an ever more complex world. This work straddles two years and will be reported upon in the summer of 2019.

Partnership working continues to be an important part of the IAgrE remit. The Institution engaged with universities and companies covering topics as diverse as apprenticeships, engineering for food production, the Engineering Professors Council and work with the Science and Technology Facilities Council (STFC) Sustainable Food Network (SFN).

Services to Engineers

IAgrE continues to promote professionalism through the marketing of professional qualifications at all levels from 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

IAgrE receives many requests for contributions to a range of consultations led by the Royal Academy of Engineering and other national bodies. Where possible and relevant, IAgrE will commit resources to support these initiatives on behalf of the wider membership.

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 Engineering Apprenticeship and Technician Qualifications.

Landbased Engineering Training and Education Committee

IAgrE continues to work closely with AEA and BAGMA through the Landbased Engineering Training and Education Committee (LE-TEC) to support apprenticeship development, careers promotion and the Landbased Technician Accreditation (LTA) scheme. LE-TEC is a limited company with IAgrE as an equal partner on the board along with AEA and BAGMA.

The LTA scheme is owned by LE-TEC and has a new emphasis on training. The compulsory requirement for IAgrE membership and Engineering Technician registration was removed which frees up IAgrE to establish a more direct relationship with employers. After ten years as administrator of the LTA scheme, IAgrE handed this over to BAGMA in 2018. IAgrE continues to support and encourage LTA although it is proving difficult to maintain IAgrE membership and Engineering Technician registration for LTA registered technicians now this is non-compulsory.

The Parloursafe scheme for milking equipment is now well established with the only qualification in the sector being provided by Reaseheath College and Hartpury College who, in conjunction with Milking Equipment Association members, offer courses covering the three Categories of Parloursafe.

IAgrE deals with the administration of this scheme and contributes to its technical committee on matters relating to CPD and ensuring rigour and transparency of process of technician registration and matters relating to IAgrE membership, Engineering Council, and Society for the Environment registration.

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 Landbased Service Engineering at foundation and advanced levels now expanded to meet the requirements of the construction and plant sector. These were launched in 2018 with plans in place to deal with the first round of end-point assessments in 2019.

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 2018 and now exceeds 1250 necessitating the need to review editorial resources.

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 2018 a number of special editions were produced. Income remains stable.

Chris Biddle continues to edit and produce the IAgrE member journal Landwards which is consistently well received. A new section on technical aspects was introduced in 2018. Regular pre-production meetings are held at the IAgrE Office with the Secretariat team in attendance. As part of the Institution's eightieth anniversary the Horizons publication looked at aspects of Agricultural Engineering from a past and future perspective.

IAgrE continues to consider the best way of handling its archive of materials, including those gifted when Silsoe Research Institute closed. Early investigations with the Heritage Lottery Fund took place in 2018 to find a way of digitising these resources and making them more available to IAgrE members and wider partners with an interest in the Agricultural Engineering discipline.

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.

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 2018 Awards were held following the AGM at Wrest Park, Silsoe on 24th May 2018

IAgrE Award of Merit

Brian Knight, MIAgrE

Alastair Tulloch, MIAgrE

IAgrE Award for Contribution to Landbased Industries

Peter Kettlewell, CEng FIAgrE

Richard Smalley, FIAgrE

The President’s Award, formerly Michael Dwyer Memorial Prize

Rob Simmons, MIAgrE – Cranfield University

Branch Meritorious Service Award

Rupert Caplat, CEng MIAgrE (Western)

IAgrE CNH Industrial Award

Michail Giannitsopoulos, AMIAgrE – Cranfield University Post Graduate

“Optimising Conservation Tillage Systems for Wheat & Oilseed Rape Production”

IAgrE Student Project Award

Thomas Mathias, *“Net Lifter for Round Baler”* – Coleg Sir Gar

IAgrE Student Project Safety Award

Thomas Mathias, *“Net Lifter for Round Baler”* – Coleg Sir Gar

Douglas Bomford Paper Award

M Clare Butler Ellis, CEnv FIAgrE

Ivel Award

Mzuri Ltd for their innovative seeder the Pro-Til Xzact

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 2018 winner was Adam Clarke, writing for Future Farming.

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. The Forestry Engineering Group (FEG) was not able to recruit sufficient people for the annual autumn Symposium. A new group with an interest in Engineering for Food and Drink (EFD) was launched in autumn 2018 with the inaugural.

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 attended several national events. IAgrE activities of note during the year included:

- LAMMA – Peterborough – January 2018
- Young Engineers Competition – April 2018
- AGM & Awards Event – Wrest Park – May 2018
- Cereals – June 2018
- IAgrE Landwards Conference – Collaboration for Success held at the Royal Academy of Engineering – November 2018

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.

Membership numbers in 2018 declined compared to 2017. This is because of non renewals of membership and professional registration by LTA registered technicians following an industry decision to remove this as a compulsory aspect of the LTA scheme. At the year-end, the breakdown of membership was as follows:

	2018	2017	Change
Hon Fellow*	16	16	0
Fellow*	131	134	-3
Member*	598	613	-15
Associate Member*	207	399	-192
Technician	11	2	+9
Affiliate	163	182	-19
Pre-professional	794	784	+10
Student (DBT)	615	686	-71
Commercial & Academic	<u>52</u>	<u>41</u>	<u>+11</u>
Totals	2587	2857	-270

* Corporate Members.

The Institution has been actively engaging with businesses through its Jobs Search and other initiatives and Commercial and Academic membership is rising steadily.

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

	2018	2017	Change
Chartered Engineer	172	183	-11
Incorporated Engineer	144	151	-7
Engineering Technician	<u>112</u>	<u>309</u>	<u>-197</u>
Totals	428	643	-215

	2018	2017	Change
Chartered Environmentalist	123	130	-7

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 losses on investments is £47,506 which represents a substantial decrease when compared to the 2017 figure of £86,022 due to the losses on investments in the year. Charitable income has increased from £372,841 in 2017 to £417,441 in 2018 mainly due to increased income from publications.

The resources expended in 2018 were £344,829, an increase of £10,939 compared with 2017. This increase is mainly due to increased costs associated with publications and project delivery expenses.

The results for the year to December 2018 show an operating surplus of £72,612 compared with a surplus of £38,951 in 2017. This increase is largely due to the increased income from publications relative to the associated costs, as mentioned previously.

On 31 December 2018, total investments stood at £681,586. Realised gains on investment assets in 2018 are £33,872. Unrealised losses are £58,978 in 2018.

Reserves and Investments Policy

The Trustees 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 (£1,059,062) 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 £400,000. 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.

Going forward the institution is setting some of its reserves against growth, and so is likely to show a small annual deficit for the short term. 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 Executive Trustees on 2 May 2019. The full financial statements, on which Landers Accountants Ltd gave an unqualified independent examiners report on 5 May 2019 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 2018.

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

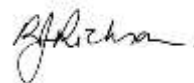
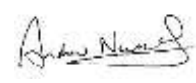
In the autumn of 2018, the current IAgrE Chief Executive and Secretary announced his plan to stand down from the position with a plan to leave IAgrE in the summer of 2019.

It is against this background that the Institution of Agricultural Engineers intends to meet its keys aims by:

- Recruiting a new Chief Executive Officer and Secretary to be in position by Autumn 2019
- Allocate financial reserves for membership support and growth with a view to, at first, maintaining membership numbers, and in the future increasing this number.
- Implement the strategic developments identified during the 2018 members and stakeholders consultation event.
- Review secretariat roles and responsibilities to securing a more reliable office and support mechanism for members.
- Continue to develop the relationship with the Royal Academy of Engineering and contribute to the wider development of the engineering discipline.
- Continue to offer a diverse range of training and development opportunities for members including physical meetings and on-line access.
- Review the arrangements for financial management at the Secretariat and implement further improvements to the IAgrE membership management system.
- Continue to sample members CPD and provide feedback on its quality and impact linked to the ongoing promotion of mentoring and registration opportunities.
- Investigate the digitisation of the IAgrE archive in order that members and stakeholders can access this valuable resource.
- Develop and renew relationships with new and existing university and education partners and continue to promote Academic and Commercial membership.
- Continuing to work with industry partners and stakeholders to promote careers in the agricultural engineering industry.
- Develop new relationships with machinery dealerships in order that a greater number of technicians benefit from being professionally recognised.
- Continue to establish relationships with the Agritech industry to act as a conduit for learning and knowledge as they relate to research and innovation.

J Rickson, President

A C Newbold, Hon Treasurer

**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 2018 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 2018

	Notes	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income:					
Donations	3	36	-	36	609
Activities for generating funds:					
Other income	4	1,564	-	1,564	3,542
Investment income	6	26,582	-	26,582	24,839
Incoming resources from charitable activities:					
	5				
Members' subscriptions and fees		130,819	-	130,819	136,861
Affiliated organisations		8,965	-	8,965	4,675
Income from publications		230,348	-	230,348	187,079
Income from projects		17,368	-	17,368	9,100
Technician Accreditation scheme		2,913	-	2,913	4,971
Net conference income		(1,154)	-	(1,154)	1,165
Total incoming resources		417,441	-	417,441	372,841
Resources expended					
Costs of generating funds:					
Investment management costs	7	5,714	-	5,714	5,663
Costs of charitable activities	7	318,382	-	318,382	305,216
Governance costs	7	20,733	-	20,733	23,012
Total resources expended		344,829	-	344,829	333,891
Net incoming resources before other recognised gains		72,612	-	72,612	38,951
Other recognised gains					
Realised gains / (losses) on investment assets		33,872	-	33,872	16,544
Net income for the year		106,485	-	106,485	55,495
Unrealised gains / (losses) on investment assets		(58,978)	-	(58,978)	30,527
Net movement in funds		47,506	-	47,506	86,022
Reconciliation of funds					
Total funds brought forward		1,011,556	-	1,011,556	925,534
Total funds carried forward		1,059,062	-	1,059,062	1,011,556

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 2018

		2018		2017	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11	2,313		2,753	
Investments	12	<u>681,586</u>		<u>739,655</u>	
			683,899		742,408
Current assets					
Inventories	15	2,475		2,589	
Debtors	13	141,958		99,242	
Investments	18	157,491		203,816	
Cash at bank and in hand		<u>151,252</u>		<u>31,486</u>	
		453,177		337,133	
Creditors : Amounts falling due within one year	14	<u>(78,014)</u>		<u>(67,984)</u>	
Net current assets			<u>375,163</u>		<u>269,148</u>
Total assets less current liabilities			1,059,062		1,011,556
Net assets			<u><u>1,059,062</u></u>		<u><u>1,011,556</u></u>
Charity funds	21				
Unrestricted funds			857,694		779,211
Revaluation funds			201,368		232,345
Total charity funds			<u><u>1,059,062</u></u>		<u><u>1,011,556</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 2018

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2018 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 2 May 2019 and signed on its behalf.

.....
R J Rickson
President

.....
A C Newbold
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 2018

1. Statutory information

The charity is a private company limited by guarantee, registered in England and Wales. 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.

(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 2018

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.

(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.

THE INSTITUTION OF AGRICULTURAL ENGINEERS
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2018

2. Accounting policies (cont.)

(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.

(xi) Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

3. Income from donations and legacies

	Unrestricted	Restricted	2018	2017
	£	£	Total	Total
			£	£
Donations	36	-	36	609
	36	-	36	609

4. Other income

	Unrestricted	Restricted	2018	2017
	£	£	Total	Total
			£	£
EurAgEng secretariat	750	-	750	1,500
Process fees	693	-	693	973
Sundry sales	121	-	121	1,069
	1,564	-	1,564	3,542

THE INSTITUTION OF AGRICULTURAL ENGINEERS
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2018

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

	Unrestricted	Restricted	2018 Total	2017 Total
	£	£	£	£
Members' subscriptions and fees	158,452	-	158,452	165,288
Less: Engineering Council fees	(15,943)	-	(15,943)	(16,035)
Society for the Environment fees	(6,260)	-	(6,260)	(6,276)
EurAgEng fees	(5,430)	-	(5,430)	(6,116)
	<u>130,819</u>		<u>130,819</u>	<u>136,861</u>
Affiliated organisations	8,965	-	8,965	4,675
Income from publications	230,348	-	230,348	187,079
Income from projects	17,368	-	17,368	9,100
Technician Accreditation scheme	2,913	-	2,913	4,971
Net conference income	(1,154)	-	(1,154)	1,165
	<u>389,258</u>	<u>-</u>	<u>389,258</u>	<u>343,851</u>

0

Income from publications includes guaranteed accrued income of £140,000, receivable in Spring 2019, arising from Biosystems Engineering.

6. Income from investments

	Unrestricted	Restricted	2018 Total	2017 Total
	£	£	£	£
Income from managed funds	26,582		26,582	24,839
	<u>26,582</u>	<u>-</u>	<u>26,582</u>	<u>24,839</u>

THE INSTITUTION OF AGRICULTURAL ENGINEERS
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2018

7. Total resources expended

	Investment income £	Members' subscriptions and fees £	Income from publications £	Governance £	2018 Total £	2017 Total £
Costs directly allocated to activities						
Staff costs		98,977		13,026	112,003	116,274
Accommodation and premises costs		7,233		381	7,614	6,222
Office/stationery costs		9,245		1,631	10,876	8,208
Computer costs and support		5,028			5,028	3,013
Bank charges		3,325			3,325	3,205
Independent reviewer's fees		-		2,300	2,300	2,300
Legal and professional costs		-		2,493	2,493	4,283
Depreciation		1,303			1,303	1,068
Costs associated with publications		32,084	85,399		117,483	103,410
LTA Project		-			0	3,547
Meetings and travel costs		7,102		483	7,585	9,549
Project delivery expenses		12,323			12,323	-
Public relations and recruitment		18,555			18,555	21,532
Subscriptions to other organisations		764			764	8,688
Services to members		8,037			8,037	4,943
Merchandise		-			0	735
Prizes and awards		3,824			3,824	3,136
Irrecoverable VAT		3,222			3,222	1,569
Trustee Indemnity Insurance				394	394	473
Investment management costs	5,714				5,714	5,663
Bad debts written off						6,763
Gifts				26	26	858
	5,714	211,023	85,399	20,733	322,869	315,439
Support costs allocated to activities						
Staff costs		16,001			16,001	13,824
Overheads		5,959			5,959	4,628
	-	21,960	-	-	21,960	18,452
	5,714	232,983	85,399	20,733	344,829	333,891

8. Independent examiner's remuneration

The independent examiner's remuneration amounts to an independent examination fee of £2,300 (2017 - £2,300) and other professional services of £2,445 (2017 - £4,090).

THE INSTITUTION OF AGRICULTURAL ENGINEERS
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2018

9. Staff costs and numbers

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	114,138	116,612
Social security costs	8,250	7,391
Employer's contribution to defined contribution pension schemes	4,750	4,661
Recruitment and training	316	1,434
	<u>127,454</u>	<u>130,098</u>

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

The average monthly head count was 4 (2017: 4) and the average monthly number of full-time equivalent employees (including casual and part-time) during the year were as follows:

	2018	2017
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 £4,750 (2017: £4,661). The amount owed at the year end was £411.

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:

	2018	2017
	£	£
The following operating lease payments are committed		
Less than one year	5,749	4,384
Between one and five years	5,992	
	<u>11,741</u>	<u>4,384</u>

THE INSTITUTION OF AGRICULTURAL ENGINEERS
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2018

11. Tangible fixed assets

	Furniture & fittings £	Computer & equipment £	Total £
Cost:			
At 1st January 2018	3,110	25,381	28,491
Additions	-	1,189	1,189
Disposals			-
At 31st December 2018	<u>3,110</u>	<u>26,570</u>	<u>29,680</u>
Depreciation:			
At 1st January 2018	3,110	22,628	25,738
Charge for Year	-	1,629	1,629
On disposal			-
At 31st December 2018	<u>3,110</u>	<u>24,257</u>	<u>27,367</u>
Net Book Value:			
At 31st December 2018	<u>-</u>	<u>2,313</u>	<u>2,313</u>
At 31st December 2017	<u>-</u>	<u>2,753</u>	<u>2,753</u>

12. Fixed asset investments

	2018 £	2017 £
Quoted investments		
Market value 1st January 2018	739,655	676,335
Additions to investments at cost	239,488	171,593
Disposals at carrying value	(266,580)	(149,582)
Realised Gain on revaluation	33,872	16,544
Unrealised Gain on revaluation	(58,976)	30,527
Portfolio charges paid via investment funds	(5,873)	(5,762)
Market value 31st December 2018	<u>681,586</u>	<u>739,655</u>
Historic cost as at 31st December 2018	<u>559,190</u>	<u>558,281</u>

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

	Inside UK £	Outside UK £	2018 £	2017 £
Properties	237,372		237,372	234,205
Unit Trusts	191,641	144,663	336,304	403,794
Fixed interest securities	37,948		37,948	45,899
Cash	42,315		42,315	28,293
Other investments	27,647		27,647	27,464
	<u>536,923</u>	<u>144,663</u>	<u>681,586</u>	<u>739,655</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 2018

13. Debtors

	2018 £	2017 £
Membership and journal debtors	-	-
Other debtors	140,000	97,237
Prepayments	1,958	2,005
	<u>141,958</u>	<u>99,242</u>

14. Creditors: amounts falling due within one year

	2018 £	2017 £
Creditors	13,061	7,405
Deferred income	18,478	27,567
Tax and social security	18,573	3,679
Accruals	27,902	29,334
	<u>78,014</u>	<u>67,984</u>

15. Inventories

	2018 £	2017 £
Postage	200	208
Stationery	700	715
Ties	75	106
Printing	1,500	1,560
	<u>2,475</u>	<u>2,589</u>

16. Analysis of net assets between funds

	General funds £	Designated funds £	Revaluation funds	Restricted funds £	Total funds £
Tangible fixed assets	2,313				2,313
Investments	75,720	404,498	201,368		681,586
Current assets	453,177				453,177
Current liabilities	(78,014)				(78,014)
Net assets at 31st December 2018	<u>453,196</u>	<u>404,498</u>	<u>201,368</u>	-	<u>1,059,062</u>

17. Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2017: £Nil).

The total amount of remuneration received by key management personnel was £45,094 (2017 - £50,299).

The Trust considers its key management personnel comprises of Alastair Taylor (2017: Alastair Taylor and Elizabeth Stephens).

THE INSTITUTION OF AGRICULTURAL ENGINEERS
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2018

18. Current asset investments

	2018	2017
	£	£
Short term deposits	157,491	203,816
	157,491	203,816

Short term deposits consist of one bond of £50,752, which has an original maturity of one year, and an interest rate of 1.95%. The remainder of the balance is in savings accounts at the year end.

19. Financial instruments

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

	2018	2017
	£	£
Financial assets		
Measured at fair value through net income/expenditure:		
- Fixed asset listed investments (note 12)	681,586	739,655
Debt instruments measured at amortised cost:		
- Short term deposits (note 18)	157,491	203,816
	839,076	943,471

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

	2018	2017
	£	£
Income and expense		
Financial assets measured at fair value through net income/expenditure	17,057	16,313
Financial assets measured at amortised cost	3,675	2,827
Net gains and losses (including changes in fair value)		
Financial assets measured at fair value through net income/expenditure	-25,106	47,071

20. Deferred income

	2018	2017
	£	£
Subscriptions paid in advance	18,478	27,567
	18,478	27,567

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 2018

21. Movements in funds

	At 1 Jan 2018	Incoming resources (inc. gains)	Outgoing resources (inc. losses)	Transfers	At 31 Dec 2018
Unrestricted funds:					
Designated building fund	380,000			20,000	400,000
Designated memorial fund	4,498				4,498
Revaluation fund	232,345	(25,104)	(5,873)		201,368
General funds	394,713	417,441	(338,958)	(20,000)	453,196
Total unrestricted funds	<u>1,011,556</u>	<u>392,337</u>	<u>(344,830)</u>	-	<u>1,059,062</u>
Total funds	<u>1,011,556</u>	<u>392,337</u>	<u>(344,830)</u>	-	<u>1,059,062</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 £400,000.

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.

22. 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 was in the best interests of The Institution of Agricultural Engineers. Dr Parkin did 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 2018 was £227,876 and the total expenditure relating to Biosystems Engineering in the same period was £85,399. Included within this expenditure was £33,589 paid to Dr C S Parkin (including £1,032 of expenses reimbursed on Biosystems Engineering business).

No other director received any remuneration during the year. Travel costs amounting to £2,472 (2017: £2,864) were reimbursed to four directors.

23. Controlling Party

The company is controlled by the board of Trustees.