

Company No. 00648041
Charity No. 257303

THE INSTITUTION OF AGRICULTURAL ENGINEERS

(LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS

31ST DECEMBER 2019

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 2019

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THE INSTITUTION OF AGRICULTURAL ENGINEERS

(LIMITED BY GUARANTEE)

COMPANY INFORMATION

| | |
|----------------------|---|
| TRUSTEES | Dr R J Merrall Mr A C Newbold Prof M G Kibblewhite Mr S C Constable Prof R J Rickson Dr M Moore Dr E D Chesmore (Resigned 2 May 2019) Mr M St J Carr-West Mr I Sumpter (Resigned 23 May 2019) Mr P Hemingway Mr K Franklin Mr H G Crabtree (Appointed 2 May 2019) Mr G P Higginson (Appointed 2 May 2019) |
| PRESIDENT | Prof R J Rickson |
| SECRETARY | Mr E Hansom (Appointed 2 September 2019) Mr A J Taylor (Resigned 2 September 2019) |
| 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 2019. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) (FRS 102) "Accounting and Reporting by Charities" 2nd edition issued in 2019 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 2019 these included a visit to the National Fluid Power Centre in Worksop and Pershore College in Warwickshire. Matters for discussion included producing a follow-up to the Beddington report, creating a route to membership for farmers and better informing the general public on agricultural engineering. 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 was employed for four days per week in the role of CEO and Secretary. He retired from his appointment on 2nd September 2019.

Ed Hansom is employed (full-time) in the role of CEO and Secretary having started in this appointment on 2nd September 2019.

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

Sarah McLeod continues as the Membership and Events Support/Office Administrator. She organises events and the Annual Conference and supports the members, branches and groups. She also 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.

Jo Martindale started in August 2019 for two days per week as the IAgrE bookkeeper.

Sabrina Sumpter left the IAgrE in January 2019.

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 | Mr P Hemingway |
| Prof M G Kibblewhite | Mr. G Higginson |
| Mr S C Constable | Mr K Franklin |
| Dr M Moore | Mr. H Crabtree |
| Mr M StJ Carr-West | |

Dr M C Butler Ellis and Professor PCH Miller are co-opted members of the Executive Committee.

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 formed 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 continued to progress these developments during 2019.

In 2019 the sampling of IAgrE members Continuing Professional Development (CPD) records continued in accordance with the Regulations. Those members who failed to engage with the CPD requirements were contacted to encourage their full cooperation. If they still failed to engage with the sampling process they were added to the following year's cohort of members to be sampled. 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.

A full membership survey was conducted in the Summer. In total 56 members completed and returned their survey to the Institution. The respondents were generally content that the Institution represented them and was the 'natural professional home' of those operating in the land-based sector. The IAgrE is understood to be 'not-elitist', approachable, friendly, and trustworthy and the HQ staff are considered very helpful by the survey respondents. The recommendations from the survey will be implemented in 2020.

The annual conference took place on 30th October and was held in the Peterborough Suite of the East of England Conference Centre in Peterborough. The subject of the conference was 'Big Data' and whether it would lead to smarter farming. Speakers were drawn from a diverse range of industry, academia and governmental organisations. Attendance was strong with thought provoking discussions throughout and much feedback following the event.

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 a workshop held at the Institution of Mechanical Engineers to consult on the proposed National Food Strategy.

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.

Partnership working continues to be an important part of the IAgrE remit. The Institution engaged with universities, FE colleges 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). The IAgrE also successfully accredited a number of programmes including a Degree Apprenticeship at Harper Adams University.

Services to Engineers

IAgrE continues to promote professionalism through the marketing of professional qualifications at all levels from Engineering Technicians through to Chartered registration. 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 at the Engineering Council at numerous Committees and Working Groups including:

- the Engineering Accreditation Board (EAB)
- the Engineering Apprenticeship and Technician Qualifications (EATQ) Forum
- the EngTech Value Proposition Working Group
- the Heads of Membership Committee
- the PEIs Group B & C Panels, and
- the Professional Engineering Committee.

All of these ensure that the IAgrE maintains a high profile at the Engineering Council and is kept up-to-date with Engineering Council policy and standards. The Institution is due to have its 5-year licence reviewed in 2020.

Malcolm Carr-West is the 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. The Engineering Council has been reviewing its own documentation over the last few years, ostensibly UK SPEC and related documents. Both the outgoing CEO (Alastair Taylor) and the new CEO (Ed Hansom, in his previous role with the IMechE) have been involved in these reviews.

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. IAgrE continues to support and encourage LTA although it is proving difficult to maintain IAgrE membership and Engineering Technician registration for LTA registered technicians since the compulsory requirement for IAgrE membership and Engineering Technician registration was removed in 2018.

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 current three Categories of Parloursafe.

IAgrE passed the administration of the registration aspects of this scheme over to the AEA at the end of 2019 to streamline the administration of the entire Parloursafe initiative. However, the IAgrE still 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 and registration with both the Engineering Council and the Society for the Environment.

Education

IAgrE continues to establish relationships with FE 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 through LE-TEC, 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 and the first round of end-point assessments are expected in 2020.

Society for the Environment

The Society for the Environment (SocEnv) carried out its five-year review of the licence operated by the Institution on 10th December. The IAgrE was assessed against seven criteria: Governance, Administration, Registration, Environmental Policy and Practice, Continuing Professional Development, Promotion of Registration and Continuous Improvement. The IAgrE gained a 'Satisfactory' (the highest possible assessment) in all seven criteria. Thus, the recommendation from the SocEnv reviewing team was that the IAgrE licence be renewed for a further 5 years.

IAgrE continues to maintain a productive working relationship with SocEnv. The former IAgrE CEO (Alastair Taylor) and Professor Mark Kibblewhite represent IAgrE on the SocEnv Board of Directors. Alastair Taylor also 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 2019 and now exceeds 1200 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 Dvoralai 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 2019 a number of special editions were produced. Income remains stable.

Chris Biddle retired as editor of the IAgrE member magazine *Landwards* in December. The magazine circulation and the respect it garnered under Chris' editorship increased consistently and was always well received. The four editions in 2019 looked forward to the future, to IAgrE's 100th Anniversary in 2038 and explored what the following areas might look like: Agriculture, Food, Mechanisation and the Environment. It will be interesting to look back in 2038 and see which predictions proved correct. Regular pre-production meetings are held at the IAgrE Office with the Secretariat team in attendance. Andy Newbold was selected to take over as editor of *Landwards* in 2020.

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 2019 Awards were held following the AGM at the National Fluid Power Centre in Worksop on 2nd May 2019

IAgrE Award of Merit

Richard Barrowman CEng FIAgrE

David Tinker CEng CEnv FIAgrE

IAgrE Award for Contribution to Landbased Industries

Clare Butler Ellis CEnv FIAgrE

James Wallace AIAgrE

The President's Award, formerly Michael Dwyer Memorial Prize

Richard Brindle CEng MIAgrE - JCB

Branch Meritorious Service Award

Lawrence Knox IEng MIAgrE (Northern Ireland Branch)

IAgrE CNH Industrial Award

Iain Dummett – Cranfield University Post Graduate

"Evaluating Strip Tillage Practices for sustainable UK arable agriculture"

William Hitchcock – Harper Adams University Undergraduate

"Quantifying the effects of a pre-cleaning chaser system on Sugar Beet recovery"

IAgrE Student Project Award

Alwyn Morgan, *"Disc Brake Wear Sensor"* – Coleg Sir Gar

IAgrE Student Project Safety Award

Kevin Shuttleworth, *"An investigation regarding the effects of acceleration produced by cabin suspension systems fitted to agricultural tractors upon the operator and operator health"* – University of Central Lancashire (Myerscough College)

Douglas Bomford Paper Award

Paul Jackson, *"An innovative concept building design incorporating passive technology to improve resource efficiency and welfare of finishing pigs"* in Biosystems Engineering, Vol 174

Ivel Award

Agri Industry Solutions for their innovative Nutriflow Slurry System

IAgrE Team Achievement Award

Thatcher's Cider

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 2019 winner was James Andrews for his feature published in Farmers Weekly on How to secure longer-lasting point and tine metal.

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) held a very successful Symposium on 26th September in Cumbria. Topics included current and future trends in the timber industry, the latest developments in traction assist systems, timber bridges and a case study on helicopter extraction.

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 – Birmingham NEC – January 2019
- AGM & Awards Event – NFPC, Worksop – May 2019
- Cereals – June 2019
- Tillage Live – Deenethorpe Airfield, Corby – September
- Game Changing Technologies for Agriculture 2019 conference – Westminster, London – October 2019
- IAgrE Landwards Conference – 'Big Data and whether it will lead to smarter farming' held at the East of England Conference Centre in Peterborough – October 2019
- AgriTechnica in Hannover, Germany – November 2019
- Midlands Machinery Show in Newark – November 2019

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 2019 dropped once again. This steady decline is mainly due to an ageing membership and a gradual reduction in students studying and pre-professionals operating within agricultural engineering. All PEIs are experiencing a similar reduction in membership. The IAgrE is working with the Engineering Council and other PEIs to reverse this decline. At the year-end, the breakdown of membership was as follows:

| | 2019 | 2018 | Change |
|-----------------------|--------------------|--------------------|--------------------|
| Hon Fellow* | 16 | 16 | 0 |
| Fellow* | 129 | 131 | -2 |
| Member* | 595 | 598 | -3 |
| Associate Member* | 189 | 207 | -18 |
| Technician | 18 | 11 | +7 |
| Affiliate | 150 | 163 | -13 |
| Pre-professional | 561 | 794 | -233 |
| Student (DBT) | 492 | 615 | -123 |
| Commercial & Academic | <u>55</u> | <u>52</u> | <u>+3</u> |
| Totals | <u>2205</u> | <u>2587</u> | <u>-382</u> |

* 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:

| | 2019 | 2018 | Change |
|------------------------|-------------------|-------------------|-------------------|
| Chartered Engineer | 173 | 172 | +1 |
| Incorporated Engineer | 137 | 144 | -7 |
| Engineering Technician | <u>95</u> | <u>112</u> | <u>-17</u> |
| Totals | <u>405</u> | <u>428</u> | <u>-23</u> |

| | 2019 | 2018 | Change |
|----------------------------|------|------|--------|
| Chartered Environmentalist | 121 | 123 | -2 |

Financial Review

Results

The Statement of Financial Activities (SOFA) for the year is set out on page 10 of the financial statements. The surplus for the year, including losses on investments is £170,287 which represents a substantial increase when compared to the 2018 figure of £47,506 due to the gains on investments in the year. Charitable income has increased from £417,441 in 2018 to £429,584 in 2019 due to increased income from both subscriptions and publications.

The resources expended in 2019 were £315,674, a decrease of £29,155 compared with 2018. This decrease is mainly due to reduced costs associated with publications and project delivery expenses.

The results for the year to December 2019 show an operating surplus of £113,910 compared with a surplus of £72,612 in 2018. This increase is largely due to the increased income from publications relative to the associated costs and the reduction in project delivery expenses, as mentioned previously.

On 31 December 2019, total investments stood at £758,253. Realised gains on investment assets in 2019 are £10,069. Unrealised gains are £46,308 in 2019.

Reserves and Investments Policy

The Trustees continue to monitor and review IAgrE's need for reserves, and associated investments, in line with the guidance issued by the Charities 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 (£1,229,349) 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 £420,000. 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.

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 8 and 9 of the IAgrE Annual Report and Summary Accounts. These are extracted from pages 10 and 11 of the full statutory Trustees Report and Financial Statements of the Institution of Agricultural Engineers which were approved by the Executive Trustees on 21 April 2020. The full financial statements, on which Landers Accountants Ltd gave an unqualified independent examiners report on 20 May 2020 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 2019.

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

On 2nd September 2019 the former IAgrE Chief Executive and Secretary, Alastair Taylor, retired from the position to be replaced by Ed Hanson.

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

- Allocating financial reserves for membership support and growth with a view to, at first, maintaining membership numbers, and in the future increasing this number.
- Implementing the strategic developments identified during the 2018 members and stakeholders consultation event.
- Reviewing and improving communications arrangements with members and stakeholders in order that they receive more timely and relevant information.

- Continuing to develop the relationship with the Royal Academy of Engineering and contribute to the wider development of the engineering discipline.
- Continuing to offer a diverse range of training and development opportunities for members including physical meetings and on-line access.
- Reviewing the arrangements for financial management at the Secretariat and implement further improvements to the IAgrE membership management system.
- Continuing to sample members CPD and provide feedback on its quality and impact linked to the ongoing promotion of mentoring and registration opportunities.
- Investigating the digitisation of the IAgrE archive in order that members and stakeholders can access this valuable resource.
- Developing 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.
- Developing new relationships with machinery dealerships in order that a greater number of technicians benefit from being professionally recognised.
- Continuing 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 2019 which are set out on pages 10-22.

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.

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

20 May 2020

THE INSTITUTION OF AGRICULTURAL ENGINEERS
(LIMITED BY GUARANTEE)
(Company registration number 00648041)
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME & EXPENDITURE ACCOUNT)
YEAR ENDED 31ST DECEMBER 2019

| | Notes | Unrestricted Funds 2019 £ | Restricted Funds 2019 £ | Total Funds 2019 £ | Total Funds 2018 £ |
|---|-------|------------------------------------|----------------------------------|--------------------------|--------------------------|
| Incoming resources | | | | | |
| Incoming resources from generated funds: | | | | | |
| Voluntary income: | | | | | |
| Donations | 3 | 175 | - | 175 | 36 |
| Activities for generating funds: | | | | | |
| Other income | 4 | 583 | - | 583 | 1,564 |
| Investment income | 6 | 30,296 | - | 30,296 | 26,582 |
| Incoming resources from charitable activities: | | | | | |
| | 5 | | | | |
| Members' subscriptions and fees | | 134,107 | - | 134,107 | 130,819 |
| Affiliated organisations | | 5,764 | - | 5,764 | 8,965 |
| Income from publications | | 237,274 | - | 237,274 | 230,348 |
| Income from projects | | 14,013 | - | 14,013 | 17,368 |
| Technician Accreditation scheme | | 4,176 | - | 4,176 | 2,913 |
| Net conference income | | 3,196 | - | 3,196 | (1,154) |
| Total incoming resources | | 429,584 | - | 429,584 | 417,441 |
| Resources expended | | | | | |
| Costs of generating funds: | | | | | |
| Investment management costs | 7 | 6,906 | - | 6,906 | 5,714 |
| Costs of charitable activities | | | | | |
| | 7 | 282,827 | - | 282,827 | 318,382 |
| Governance costs | | | | | |
| | 7 | 25,941 | - | 25,941 | 20,733 |
| Total resources expended | | 315,674 | - | 315,674 | 344,829 |
| Net incoming resources before other recognised gains | | 113,910 | - | 113,910 | 72,612 |
| Other recognised gains | | | | | |
| Realised gains / (losses) on investment assets | | 10,069 | - | 10,069 | 33,872 |
| Net income for the year | | 123,979 | - | 123,979 | 106,484 |
| Unrealised gains / (losses) on investment assets | | 46,308 | - | 46,308 | (58,978) |
| Net movement in funds | | 170,287 | - | 170,287 | 47,506 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 1,059,062 | - | 1,059,062 | 1,011,556 |
| Total funds carried forward | | 1,229,349 | - | 1,229,349 | 1,059,062 |

The notes on pages 13 to 22 form part of these financial statements.

THE INSTITUTION OF AGRICULTURAL ENGINEERS
(LIMITED BY GUARANTEE)
(Company registration number 00648041)
BALANCE SHEET
31ST DECEMBER 2019

| | | 2019 | | 2018 | |
|--|--------------|-------------|------------------|-------------|------------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 11 | 4,114 | | 2,313 | |
| Investments | 12 | 758,253 | | 681,586 | |
| | | | 762,367 | | 683,899 |
| Current assets | | | | | |
| Inventories | 15 | 3,760 | | 2,476 | |
| Debtors | 13 | 183,113 | | 141,958 | |
| Investments | 18 | 158,077 | | 157,491 | |
| Cash at bank and in hand | | 170,658 | | 151,252 | |
| | | 515,608 | | 453,177 | |
| Creditors : Amounts falling due within one year | 14 | (48,626) | | (78,014) | |
| Net current assets | | | 466,982 | | 375,163 |
| Total assets less current liabilities | | | 1,229,349 | | 1,059,062 |
| Net assets | | | 1,229,349 | | 1,059,062 |
| Charity funds | 21 | | | | |
| Unrestricted funds | | | 978,510 | | 857,694 |
| Revaluation funds | | | 250,839 | | 201,368 |
| Total charity funds | | | 1,229,349 | | 1,059,062 |

The notes on pages 13 to 22 form part of these financial statements.

THE INSTITUTION OF AGRICULTURAL ENGINEERS
(LIMITED BY GUARANTEE)
(Company registration number 00648041)
BALANCE SHEET (Continued)
31ST DECEMBER 2019

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2019 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

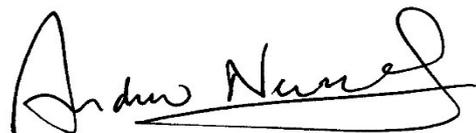
- (a) ensuring that the company keeps accounting records which comply with Section 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each 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 21 April 2020 and signed on its behalf.



.....
R J Rickson
President



.....
A C Newbold
Honorary Treasurer

The notes on pages 13 to 22 form part of these financial statements.

THE INSTITUTION OF AGRICULTURAL ENGINEERS
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2019

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 financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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 2019

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 2019

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.

(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 | 2019 | 2018 |
|-----------|---------------------|-------------------|--------------|--------------|
| | £ | £ | Total | Total |
| | | | £ | £ |
| Donations | 175 | - | 175 | 36 |
| | 175 | - | 175 | 36 |

4. Other income

| | Unrestricted | Restricted | 2019 | 2018 |
|----------------------|---------------------|-------------------|--------------|--------------|
| | £ | £ | Total | Total |
| | | | £ | £ |
| EurAgEng secretariat | - | - | - | 750 |
| Process fees | 532 | - | 532 | 693 |
| Sundry sales | 51 | - | 51 | 121 |
| | 583 | - | 583 | 1,564 |

THE INSTITUTION OF AGRICULTURAL ENGINEERS
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2019

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

| | Unrestricted £ | Restricted £ | 2019 Total £ | 2018 Total £ |
|----------------------------------|-----------------------|-----------------|-----------------------|-----------------------|
| Members' subscriptions and fees | 153,581 | - | 153,581 | 158,452 |
| Less: Engineering Council fees | (8,513) | - | (8,513) | (15,943) |
| Society for the Environment fees | (5,981) | - | (5,981) | (6,260) |
| EurAgEng fees | (4,980) | - | (4,980) | (5,430) |
| | <u>134,107</u> | | <u>134,107</u> | <u>130,819</u> |
| Affiliated organisations | 5,764 | - | 5,764 | 8,965 |
| Income from publications | 237,274 | - | 237,274 | 230,348 |
| Income from projects | 14,013 | - | 14,013 | 17,368 |
| Technician accreditation scheme | 4,176 | - | 4,176 | 2,913 |
| Net conference income | 3,196 | - | 3,196 | (1,154) |
| | <u>398,530</u> | <u>-</u> | <u>398,530</u> | <u>389,259</u> |

Income from publications includes guaranteed accrued income of £180,000, receivable in Spring 2020, arising from Biosystems Engineering.

6. Income from investments

| | Unrestricted £ | Restricted £ | 2019 Total £ | 2018 Total £ |
|---------------------------|----------------------|-----------------|----------------------|----------------------|
| Income from managed funds | 30,296 | | 30,296 | 26,582 |
| | <u>30,296</u> | <u>-</u> | <u>30,296</u> | <u>26,582</u> |

THE INSTITUTION OF AGRICULTURAL ENGINEERS
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2019

7. Total resources expended

| | Investment income £ | Members' subscriptions and fees £ | Income from publications £ | Governance £ | 2019 Total £ | 2018 Total £ |
|---|---------------------------|--|-------------------------------------|-----------------|--------------------|--------------------|
| Costs directly allocated to activities | | | | | | |
| Staff costs | | 99,925 | | 10,873 | 110,798 | 112,003 |
| Accommodation and premises costs | | 5,101 | | 268 | 5,369 | 7,614 |
| Office/stationery costs | | 7,107 | | 1,254 | 8,361 | 10,876 |
| Computer costs and support | | 8,488 | | | 8,488 | 5,028 |
| Bank charges | | 4,204 | | | 4,204 | 3,325 |
| Independent reviewer's fees | | - | | 2,370 | 2,370 | 2,300 |
| Legal and professional costs | | - | | 7,228 | 7,228 | 2,493 |
| Depreciation | | 1,445 | | | 1,445 | 1,303 |
| Costs associated with publications | | 33,966 | 67,715 | | 101,681 | 117,483 |
| LTA Project | | | | | - | - |
| Meetings and travel costs | | 10,849 | | 3,312 | 14,161 | 7,585 |
| Project delivery expenses | | 2,390 | | - | 2,390 | 12,323 |
| Public relations and recruitment | | 18,855 | | - | 18,855 | 18,555 |
| Subscriptions to other organisations | | 464 | | | 464 | 764 |
| Services to members | | 1,120 | | | 1,120 | 8,037 |
| Merchandise | | 15 | | | 15 | - |
| Prizes and awards | | 2,238 | | | 2,238 | 3,824 |
| Irrecoverable VAT | | 2,508 | | | 2,508 | 3,222 |
| Trustee Indemnity Insurance | | | | 360 | 360 | 394 |
| Investment management costs | 6,906 | | | | 6,906 | 5,714 |
| Gifts | | | | 276 | 276 | 26 |
| Balance upon closure of branch accounts | | | | | - | - |
| | 6,906 | 198,675 | 67,715 | 25,941 | 299,237 | 322,869 |
| Support costs allocated to activities | | | | | | |
| Staff costs | | 10,521 | | | 10,521 | 16,001 |
| Overheads | | 5,916 | | | 5,916 | 5,959 |
| | - | 16,437 | - | - | 16,437 | 21,960 |
| | 6,906 | 215,112 | 67,715 | 25,941 | 315,674 | 344,829 |

8. Independent examiner's remuneration

The independent examiner's remuneration amounts to an independent examination fee of £2,370 (2018 - £2,300) and other professional services of £4,920 (2018 - £2,445).

THE INSTITUTION OF AGRICULTURAL ENGINEERS
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2019

9. Staff costs and numbers

Staff costs were as follows:

| | 2019 | 2018 |
|---|----------------|----------------|
| | £ | £ |
| Wages and salaries | 109,821 | 114,138 |
| Social security costs | 7,925 | 8,250 |
| Employer's contribution to defined contribution pension schemes | 3,555 | 4,750 |
| Recruitment and training | - | 316 |
| | <u>121,301</u> | <u>127,454</u> |

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

The average monthly head count was 3 (2018: 4) and the average monthly number of full-time equivalent employees (including casual and part-time) during the year were as follows:

| | 2019 | 2018 |
|--|-------------|-------------|
| Membership services | 2 | 2 |
| Management and administration of the charity | 1 | 2 |
| | <u>3</u> | <u>4</u> |

The company operates a defined contribution pension scheme. The cost during the year was £3,555 (2018: £4,750). The amount owed at the year end was £685 (2018: £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:

| | 2019 | 2018 |
|--|--------------|---------------|
| | £ | £ |
| The following operating lease payments are committed | | |
| Less than one year | 1,712 | 5,749 |
| Between one and five years | 5,992 | 5,992 |
| | <u>7,704</u> | <u>11,741</u> |

THE INSTITUTION OF AGRICULTURAL ENGINEERS
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2019

11. Tangible fixed assets

| | Furniture & fittings £ | Computer & equipment £ | Total £ |
|-----------------------|------------------------------|------------------------------|---------------|
| Cost: | | | |
| At 1st January 2019 | 3,110 | 26,570 | 29,680 |
| Additions | - | 3,607 | 3,607 |
| Disposals | | | - |
| At 31st December 2019 | <u>3,110</u> | <u>30,177</u> | <u>33,287</u> |
| Depreciation: | | | |
| At 1st January 2019 | 3,110 | 24,257 | 27,367 |
| Charge for Year | - | 1,806 | 1,806 |
| On disposal | | | - |
| At 31st December 2019 | <u>3,110</u> | <u>26,063</u> | <u>29,173</u> |
| Net Book Value: | | | |
| At 31st December 2019 | <u>-</u> | <u>4,114</u> | <u>4,114</u> |
| At 31st December 2018 | <u>-</u> | <u>2,313</u> | <u>2,313</u> |

12. Fixed asset investments

| | 2019 £ | 2018 £ |
|---|----------------|----------------|
| Quoted investments | | |
| Market value 1st January 2019 | 681,586 | 739,655 |
| Additions to investments at cost | 152,147 | 239,488 |
| Disposals at carrying value | (124,951) | (266,580) |
| Realised Gain on revaluation | 10,069 | 33,872 |
| Unrealised Gain on revaluation | 46,308 | (58,976) |
| Portfolio charges paid via investment funds | (6,906) | (5,873) |
| Market value 31st December 2019 | <u>758,253</u> | <u>681,586</u> |
| Historic cost as at 31st December 2019 | <u>588,746</u> | <u>559,190</u> |

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

| | Inside UK £ | Outside UK £ | 2019 £ | 2018 £ |
|---------------------------|-------------------|--------------------|----------------|----------------|
| Properties | 231,649 | - | 231,649 | 237,372 |
| Unit Trusts | 199,131 | 153,866 | 352,997 | 336,304 |
| Fixed interest securities | 85,366 | - | 85,366 | 37,948 |
| Cash | 55,526 | - | 55,526 | 42,315 |
| Other investments | 32,715 | - | 32,715 | 27,647 |
| | <u>604,387</u> | <u>153,866</u> | <u>758,253</u> | <u>681,586</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 2019

13. Debtors

| | 2019 | 2018 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Membership and journal debtors | - | - |
| Accrued income | 180,000 | 140,000 |
| Tax and social security | 1,489 | - |
| Prepayments | 1,624 | 1,958 |
| | <u>183,113</u> | <u>141,958</u> |

14. Creditors: amounts falling due within one year

| | 2019 | 2018 |
|-------------------------|---------------|---------------|
| | £ | £ |
| Creditors | 5,360 | 13,061 |
| Deferred income | 13,196 | 18,478 |
| Tax and social security | 3,377 | 18,573 |
| Accruals | 26,692 | 27,902 |
| | <u>48,626</u> | <u>78,014</u> |

15. Inventories

| | 2019 | 2018 |
|------------|--------------|--------------|
| | £ | £ |
| Postage | 200 | 200 |
| Stationery | 500 | 700 |
| Ties | 60 | 75 |
| Printing | 3,000 | 1,500 |
| | <u>3,760</u> | <u>2,475</u> |

16. Analysis of net assets between funds

| | General funds | Designated funds | Revaluation funds | Restricted funds | Total funds |
|----------------------------------|----------------------|-------------------------|--------------------------|-------------------------|--------------------|
| | £ | £ | | £ | £ |
| Tangible fixed assets | 4,114 | | | | 4,114 |
| Investments | 87,414 | 420,000 | 250,839 | | 758,253 |
| Current assets | 515,608 | | | | 515,608 |
| Current liabilities | (48,626) | | | | (48,626) |
| Net assets at 31st December 2019 | <u>558,510</u> | <u>420,000</u> | <u>250,839</u> | <u>-</u> | <u>1,229,349</u> |

17. Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2018: £Nil).

The total amount of remuneration received by key management personnel was £56,021 (2018 - £45,094).

The Trust considers its key management personnel comprises of Alastair Taylor and Edward Hansom (2018: Alastair Taylor).

THE INSTITUTION OF AGRICULTURAL ENGINEERS
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2019

18. Current asset investments

| | 2019 | 2018 |
|---------------------|-------------|-------------|
| | £ | £ |
| Short term deposits | 158,077 | 157,491 |
| | 158,077 | 157,491 |

Short term deposits consist of one bond of £51,994, 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:

| | 2019 | 2018 |
|--|-------------|-------------|
| | £ | £ |
| Financial assets | | |
| Measured at fair value through net income/expenditure: | | |
| - Fixed asset listed investments (note 12) | 758,253 | 681,586 |
| Debt instruments measured at amortised cost: | | |
| - Short term deposits (note 18) | 158,077 | 157,491 |
| | 916,330 | 839,077 |

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

| | 2019 | 2018 |
|--|-------------|-------------|
| | £ | £ |
| Income and expense | | |
| Financial assets measured at fair value through net income/expenditure | 27,196 | 17,057 |
| Financial assets measured at amortised cost | 3,099 | 3,675 |
| Net gains and losses (including changes in fair value) | | |
| Financial assets measured at fair value through net income/expenditure | 56,377 | (25,106) |

20. Deferred income

| | 2019 | 2018 |
|-------------------------------|-------------|-------------|
| | £ | £ |
| Subscriptions paid in advance | 13,196 | 18,478 |
| | 13,196 | 18,478 |

Income is 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 2019

21. Movements in funds

| | At 1 Jan 2019 | Incoming resources (inc. gains) | Outgoing resources (inc. losses) | Transfers | At 31 Dec 2019 |
|----------------------------|------------------|---------------------------------------|--|-----------|-------------------|
| Unrestricted funds: | | | | | |
| Designated building fund | 400,000 | | | 20,000 | 420,000 |
| Designated memorial fund | 4,498 | | | (4,498) | - |
| Revaluation fund | 201,368 | 56,377 | (6,906) | | 250,839 |
| General funds | 453,196 | 429,584 | (308,768) | (15,502) | 558,510 |
| Total unrestricted funds | <u>1,059,062</u> | <u>485,961</u> | <u>(315,674)</u> | - | <u>1,229,349</u> |
| Total funds | <u>1,059,062</u> | <u>485,961</u> | <u>(315,674)</u> | - | <u>1,229,349</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 £420,000.

Memorial fund: This money had 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. The prize was updated several years ago to the President's Award and the balance has been transferred to general funds.

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. Trustees' remuneration and related party transactions

No trustees received any remuneration during the year. Travel costs amounting to £1,075 (2018: £2,472) were reimbursed to four trustees.

23. Controlling Party

The company is controlled by the Board of Trustees.