

Institute of Measurement & Control

Financial Statements
Year to 31 December 2019



INSTITUTE OF MEASUREMENT & CONTROL

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF INSTITUTE OF MEASUREMENT & CONTROL

I report to the trustees on my examination of the financial statements of Institute of Measurement & Control (the charity) for the year ended 31 December 2019.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England & Wales, which is one of the listed bodies.

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act;

or

2 the financial statements do not accord with those records; or

3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Mr S Cracknell FCA
162-168 High Street
Rayleigh
Essex
SS6 9BS

Dated: 27th May 2020

**Institute of Measurement & Control
Statement of Financial Activities
Including Income and Expenditure Account
For the Year to 31 December 2019**

		Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	Note	£	£	£	£
Income from:					
Donations and legacies	3	24,439		24,439	19,940
Charitable Activities					
Membership Subscriptions & Fees		467,199		467,199	479,855
Technical & Professional Activities		0		0	418,740
Publications and Web Services		5,807		5,807	3,467
Other		9,366		9,366	5,488
Other Trading Activities	4	0		0	14,106
Investments	5	6,297		6,297	26
Total Income		513,107	0	513,107	941,622
Expenditure on:					
Charitable activities	6	641,910	0	641,910	1,181,323
Net Income/(expenditure) for the year/Net movement in funds		(128,803)	0	(128,803)	(239,701)
Revaluation of Freehold Property		0		0	2,657,878
Net movement in funds after revaluation of Freehold Property		(128,803)	0	(128,803)	2,418,177
Fund Balances at 1 January 2019		2,466,648	6,108	2,472,756	54,579
Fund Balances at 31 December 2019		2,337,845	6,108	2,343,953	2,472,756

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

Institute of Measurement & Control
Balance Sheet at 31 December 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed Assets					
Tangible Assets	10		4,775		2,805,154
Current Assets					
Debtors	12	16,500		45,884	
Cash at Bank & in Hand		2,513,767		79,226	
		<u>2,530,267</u>		<u>125,110</u>	
Creditors - Amounts falling due within one year	14	<u>(191,089)</u>		<u>(405,154)</u>	
Net Current (Liabilities)/Assets			2,339,178		(280,044)
Total Assets Less Current Liabilities			<u>2,343,953</u>		<u>2,525,110</u>
Creditors - Amounts falling due after more than one year	15		0		(52,354)
Net Assets			<u>2,343,953</u>		<u>2,472,756</u>
Income Funds					
<i>Restricted Funds</i>	16		6,108		6,108
Unrestricted Funds:					
<i>Designated Funds</i>	17	1,163		1,163	
<i>General Fund</i>		<u>2,336,682</u>		<u>2,465,485</u>	
			2,337,845		2,466,648
			<u>2,343,953</u>		<u>2,472,756</u>

The accounts were approved by the Trustees on 27th May 2020

Martin Belshaw
Chairman of the Board of Trustees

Ian Craig
Trustee and Honorary Treasurer

Institute of Measurement & Control
Notes to the Financial Statements
31 December 2019
1 Accounting policies

Charity information

Institute of Measurement & Control is a charitable institute incorporated by Royal Charter in 1975.

1.1 Accounting convention

The accounts have been prepared in accordance with the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention subject only to the revaluation of Freehold Property. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the Board of Trustees to pursue a particular objective or group of objectives under the Royal Charter. The purposes and uses of the designated funds are set out in the notes to the accounts.

Restricted funds are subject to specific conditions by donors as to how they may be used within the objectives of its Royal Charter. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.4 Incoming resources

Membership Subscriptions & Fees received are allocated to the membership period to which they relate. Amounts relating to subsequent periods are carried forward as deferred income until that period.

Donations are included in the financial statements when receivable.

Technical & professional, publications & information services and other activities represent amounts receivable in respect of goods and services provided during the period.

Investment income, including any tax recoverable thereon, is included in the financial statements in the period in which they are receivable.

1.5 Resources expended

Resources expended are accounted for on an accruals basis including irrecoverable Value Added Tax and included expenditure where there is a constructive or legal obligation to pay. Charitable expenditure comprises expenses incurred on the defined charitable purposes of the Institution. Each category included direct expenses and staff costs, together with an allocation of support and governance costs based on direct staff costs.

**Institute of Measurement & Control
Notes to the Financial Statements
31 December 2019**

Accounting policies (Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Equipment renewals due to technological changes are charged to income & expenditure as incurred. Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% per annum on cost valuation
Furniture and equipment	33% per annum on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

The depreciation charge for freehold land and buildings is based on a total carrying value which includes an element of land. It is not possible to value the land separately and any adjustment to exclude the land element would not materially affect the depreciation charge.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Institute of Measurement & Control
Notes to the Financial Statements
31 December 2019

1 Accounting policies (Continued)

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and Legacies

	2019 £	2018 £
Donations and Gifts	24,439	19,939

4 Other Trading Activities

	2019 £	2018 £
Letting and Licensing arrangements	0	14,106

5 Investments

	2019 £	2018 £
Interest Receivable	6,297	26

6 Charitable activities

	Sections & Branches £	Technical & Prof'nal £	Professional Standards & Development £	Publications £	Other Activities £	2019 Total £	2018 Total £
Staff costs	13,911	97,377	97,377	55,644	34,777	299,086	365,070
Publication costs				25,973		25,973	28,195
Conferences		1,923				1,923	530,013
	<u>13,911</u>	<u>99,300</u>	<u>97,377</u>	<u>81,617</u>	<u>34,777</u>	<u>326,981</u>	<u>923,278</u>
Share of support costs (note 7)	14,269	99,882	99,882	57,075	35,672	306,779	249,489
Share of Governance costs (note 7)	379	2,653	2,653	1,516	948	8,150	8,556
	<u>28,559</u>	<u>201,835</u>	<u>199,912</u>	<u>140,208</u>	<u>71,397</u>	<u>641,910</u>	<u>1,181,323</u>

Analysis by fund

Unrestricted funds	<u>641,910</u>	
For the year ended 31 December 2018		
Unrestricted funds		<u>1,181,323</u>

Institute of Measurement & Control
Notes to the Financial Statements
31 December 2019

7 Support Costs

	Support Costs	Governance	2019	2018	Basis of Allocation
	£	£	£	£	
Support costs					
Staff Costs	48,688		48,688	38,322	Staff Time
Consultancy	38,615		38,615	26,858	Staff Time
Independent Examination	0	1,450	1,450	2,000	Staff Time
Legal and professional	4,609		4,609	16,131	Staff Time
Payment & Bank charges	9,239		9,239	7,462	Staff Time
Postage	2,908	600	3,508	4,856	Staff Time
Stationery and copying	1,378	1,250	2,628	8,922	Staff Time
Telephone	3,707		3,707	4,418	Staff Time
Travel	18,201	4,850	23,051	25,157	Staff Time
General expenses	438		438	4,761	Staff Time
Irrecoverable VAT	34,224		34,224	23,720	Staff Time
Uninsured Loss	24,203		24,203	0	Staff Time
Premises Costs	12,775		12,775	29,031	Staff Time
Moving Costs	15,646		15,646	0	Staff Time
Rent	12,625		12,625	0	Staff Time
IT & Equipment Maintenance	39,442		39,442	30,788	Staff Time
Other bodies	2,643		2,643	3,625	Staff Time
Awards & Lectures	5,563		5,563	4,614	Staff Time
Meeting Room Hire	11,326		11,326	0	Staff Time
Institute promotion	1,332		1,332	4,675	Staff Time
Sections & Branches	16,136		16,136	9,378	Staff Time
Depreciation	2,915		2,915	10,570	Staff Time
Interest paid	166		166	2,757	Staff Time
	306,779	8,150	314,929	258,045	

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but 6 of them were reimbursed a total of £8,772 travelling and other expenses (2018- 5 were reimbursed £10,468).

9 Employees

Number of Employees

The average number of employees during the year was:

2019 Number	2018 Number
8	10

Employment costs

	2019 £	2018 £
Wages and Salaries	309,328	359,214
Social Security Costs	29,407	32,913
Other Pension Costs	5,783	7,619
Other Costs	3,255	3,646
	347,773	403,392

Number of employees earning in excess of £60,000
£60,000 - £70,000

2019 Number	2018 Number
1	1

10 Tangible Fixed Assets

	Freehold Property £	Furniture & Equipment £	Total £
Cost or valuation			
At 1 January 2019	2,803,041	29,021	2,832,062
Additions	0	5,577	5,577
Disposal	(2,803,041)	(23,475)	(2,826,516)
At 31 December 2019	0	11,123	11,123
Accumulated Depreciation			
At 1 January 2019	0	26,908	26,908
Depreciation Charged in the year	0	2,915	2,915
On Disposal	0	(23,475)	(23,475)
At 31 December 2019	0	6,348	6,348
Net Book Value			
At 31 December 2019	0	4,775	4,775
At 31 December 2018	2,803,041	2,113	2,805,154

In the early part of 2019 the Institute sold its freehold property and received £2,803,041 after the costs of disposal. In the financial statements for 2018 the Trustees incorporated a revaluation of the freehold property of the Institute as at 31st December 2018 at this figure to reflect a fairer representation of its financial position

11 Financial Instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	16,500	45,884
Carrying amount of financial liabilities		
Measured at amortised cost	97,630	359,431

12 Debtors

	2019 £	2018 £
Amounts falling due within one year		
Debtors in respect of charitable services	3,707	3,082
Other Debtors	12,793	42,802
Total debtors	16,500	45,884

13 Loans and overdrafts

	2019 £	2018 £
Bank loans	0	63,941
Payable within one year	0	11,587
Payable after one year	0	52,354

14 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Bank Loans	14	0	11,587
Deferred Income:			
Amounts Received in Advance for subscriptions & services		93,459	98,077
Creditors and accruals for goods and services provided		97,630	143,010
Other Creditors		0	152,480
		<u>191,089</u>	<u>405,154</u>

15 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Bank Loans	14	<u>0</u>	<u>52,354</u>

16 Restricted Funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance 31 December 2018	Movement in Funds Incoming Resources	Resources Expended	Balance 31 December 2019
	£	£	£	£
Pamely Evans Fund	921	0	0	921
A Davies Memorial Fund	1,474	0	0	1,474
Dr Alec W Hough-Grassby Fund	2,311	0	0	2,311
Process Tomography Prize Fund	1,402	0	0	1,402
	<u>6,108</u>	<u>0</u>	<u>0</u>	<u>6,108</u>

Each of the funds are restricted to the award of prizes or grants in particular disciplines.

17 Designated Funds

	Balance 31 December 2018	Movement in Funds Incoming Resources	Resources Expended	Balance 31 December 2019
	£	£	£	£
Leo James Prize Fund	1,163	0	0	1,163
	<u>1,163</u>	<u>0</u>	<u>0</u>	<u>1,163</u>

This fund was established from a donation from the estate of Leo James for the award of prizes for excellence in the study of measurement and control technology

18 Analysis of Consolidated Net Assets between Funds

	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Fund Balances at 31 December 2019 are represented by:			
Tangible Fixed Assets	4,775	0	4,775
Current Assets/(Liabilities)	2,333,070	6,108	2,339,178
Long term liabilities	0	0	0
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Total Net (Liabilities)/Assets	2,337,845	6,108	2,343,953
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19 Related party transactions

Remuneration of key management

The remuneration of key management was as follows:

	2019 £	2018 £
Remuneration of key management	72,333	68,000
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In 2019 this included an overlap of roles by key management