

Institute of Measurement & Control

Financial Statements
Year to 31 December 2020



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 2020.

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of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.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: 26th March 2021

**Institute of Measurement & Control
Statement of Financial Activities
Including Income and Expenditure Account
for the Year to 31 December 2020**

		Unrestricted Funds	Restricted Funds	Total 2020	<i>Total 2019</i>
	Note	£	£	£	£
Income from:					
Donations, gifts and legacies	3	4,265		4,265	24,439
Charitable Activities					
Membership Subscriptions & Fees		442,411		442,411	467,199
Technical & Professional Activities		17,527		17,527	0
Publications and Web Services		6,156		6,156	5,807
Other		976		976	9,366
Investments	4	7,904		7,904	6,297
Total Income		479,239	0	479,239	513,107
Expenditure on:					
Charitable activities	5	389,510	0	389,510	641,910
Net Income/(expenditure) before gains on investments		89,729	0	89,729	(128,803)
Net gains/(losses) on investments	10	102,884		102,884	0
Net Income/(expenditure) and Net movement in funds		192,613	0	192,613	(128,803)
Fund Balances at 1 January 2020		2,337,845	6,108	2,343,953	2,472,756
Fund Balances at 31 December 2020		2,530,458	6,108	2,536,566	2,343,953

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 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed Assets					
Tangible Assets	9		1,859		4,775
Investments	10		<u>1,972,851</u>		<u>0</u>
			1,974,710		4,775
Current Assets					
Debtors	11	9,404		16,500	
Cash at Bank & in Hand		695,699		2,513,767	
		<u>705,103</u>		<u>2,530,267</u>	
Creditors - Amounts falling due within one year	12	<u>(143,247)</u>		<u>(191,089)</u>	
Net Current (Liabilities)/Assets			561,856		2,339,178
Total Assets Less Current Liabilities			<u>2,536,566</u>		<u>2,343,953</u>
Net Assets			<u>2,536,566</u>		<u>2,343,953</u>
Income Funds					
Restricted Funds	13		6,108		6,108
Unrestricted Funds:					
Designated Funds	14	1,202		1,163	
General Fund		<u>2,529,256</u>		<u>2,336,682</u>	
			2,530,458		2,337,845
			<u>2,536,566</u>		<u>2,343,953</u>

The accounts were approved by the Trustees on 25th March 2021

Martin Belshaw
Chairman of the Board of Trustees

Ian Craig
Trustee and Honorary Treasurer

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 Listed Investments. 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, gifts and legacies 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 and gains

Investment income, including any tax recoverable thereon, is included in the financial statements in the year in which they are receivable. Investment gains and losses are incorporated in the financial statements as they occur. Unrealised gains and losses arising from the valuation of investments, together with any movements in such gains are separately identified within the financial statements.

1.5 Resources expended

Resources expended are accounted for on an accruals basis including irrecoverable Value Added Tax and include 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 includes direct expenses and staff costs, together with an allocation of support and governance costs based on direct staff costs.

1.6 Volunteers

InstMC as an organisation relies heavily on its volunteers to allow it to carry out the wide variety of work that it does, across a range of fields within measurement & control. Attempting to provide such in-depth knowledge for a science and industry as diverse as measurement & control is an enormous undertaking, and would be extremely difficult without the many members who give their time, resources and expertise to the Institute helping it to maintain standards and to remain on the forefront of technology. However, as it is impractical to place a monetary value on the volunteers' contribution due to the absence of a reliable measurement basis, the contribution of volunteers are not included as income in the financial statements.

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1 Accounting policies (Continued)

1.7 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:

Furniture and equipment	33% per annum on cost
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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.

1.8 Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year

A source of financial risk faced by the charity is that is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities, particularly currency risk, and within particular sectors or sub sectors

1.9 Impairments

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).

1.10 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.

1.11 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.

1 Accounting policies (Continued)

1.12 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.

1.13 Retirement benefits

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

1.14 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

	2020 £	2019 £
Donations and Gifts	4,265	24,439
Legacies	0	0
	<u>4,265</u>	<u>24,439</u>

4 Investments

	2020 £	2019 £
Interest Receivable	5,660	6,297
Listed Investments	2,244	0
	<u>7,904</u>	<u>6,297</u>

5 Charitable activities

	Sections & Branches £	Technical & Prof'nal £	Professional Standards & Development £	Publications £	Other Activities £	2020 Total £	2019 Total £
Staff costs	9,516	66,609	66,609	38,062	23,789	204,585	299,086
Publication costs				20,511		20,511	25,973
Conferences		0				0	1,923
	<u>9,516</u>	<u>66,609</u>	<u>66,609</u>	<u>58,573</u>	<u>23,789</u>	<u>225,096</u>	<u>326,981</u>
Share of support costs (note 6)	7,439	52,075	52,075	29,757	18,598	159,944	306,779
Share of Governance costs (note 6)	208	1,455	1,455	832	520	4,470	8,150
	<u>17,163</u>	<u>120,139</u>	<u>120,139</u>	<u>89,161</u>	<u>42,907</u>	<u>389,510</u>	<u>641,910</u>

Analysis by fund

Unrestricted funds	<u>389,510</u>
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For the year ended 31 December 2019

Unrestricted funds	<u>641,910</u>
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Institute of Measurement & Control
Notes to the Financial Statements
31 December 2020

6 Support Costs

	Support Costs	Governance	2020	2019	Basis of Allocation
	£	£	£	£	
Support costs					
Staff Costs	33,304		33,304	48,688	Staff Time
Consultancy	36,180		36,180	38,615	Staff Time
Independent Examination	0	1,610	1,610	1,450	Staff Time
Legal and professional	720		720	4,609	Staff Time
Payment & Bank charges	7,768		7,768	9,239	Staff Time
Postage	1,074	725	1,799	3,508	Staff Time
Stationery and copying	669	1,100	1,769	2,628	Staff Time
Telephone	966		966	3,707	Staff Time
Travel	3,233	1,035	4,268	23,051	Staff Time
General expenses	129		129	438	Staff Time
Irrecoverable VAT	9,339		9,339	34,224	Staff Time
Uninsured Loss	0		0	17,783	Staff Time
Premises Costs	0		0	12,775	Staff Time
Moving Costs	0		0	15,646	Staff Time
Rent & Storage	15,394		15,394	12,625	Staff Time
Insurance	3,134		3,134	6,420	Staff Time
IT & Equipment Maintenance	28,166		28,166	39,442	Staff Time
Other bodies	4,114		4,114	2,643	Staff Time
Awards & Lectures	0		0	5,563	Staff Time
Meeting Room Hire	3,125		3,125	11,326	Staff Time
Institute promotion	1,086		1,086	1,332	Staff Time
Sections & Branches	2,355		2,355	16,136	Staff Time
Depreciation	2,916		2,916	2,915	Staff Time
Interest paid	0		0	166	Staff Time
Investment Managers Charges	6,272		6,272	0	Staff Time
	<u>159,944</u>	<u>4,470</u>	<u>164,414</u>	<u>314,929</u>	

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but 4 of them were reimbursed a total of £1,035 travelling and other expenses (2019- 6 were reimbursed £8,772).

8 Employees

Number of Employees

The average number of employees during the year was:

2020 Number	2019 Number
6	8

Employment costs

	2020 £	2019 £
Wages and Salaries	215,617	309,328
Social Security Costs	18,615	29,407
Other Pension Costs	3,431	5,783
Other Costs	226	3,255
	<u>237,889</u>	<u>347,773</u>

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

2020 Number	2019 Number
1	1

Institute of Measurement & Control
Notes to the Financial Statements
31 December 2020

9 Tangible Fixed Assets

	Furniture & Equipment £	Total £
Cost or valuation		
At 1 January 2020	11,123	11,123
Additions	0	0
Disposal	0	0
At 31 December 2020	<u>11,123</u>	<u>11,123</u>
Accumulated Depreciation		
At 1 January 2020	6,348	6,348
Depreciation Charged in the year	2,916	2,916
On Disposal	0	0
At 31 December 2020	<u>9,264</u>	<u>9,264</u>
Net Book Value		
At 31 December 2020	<u>1,859</u>	<u>1,859</u>
At 31 December 2019	<u>4,775</u>	<u>4,775</u>

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

10 Fixed Asset Investments

	2020 £	2019 £
Valuation		
At 1 January 2020	0	0
Purchase of units	1,869,967	0
Sale of units	0	0
Net gains on investments		
Gain on sale of investments	0	0
Net gain on revaluation at 31 December	102,884	0
At 31 December 2020	<u>1,972,851</u>	<u>0</u>
Investments are made up of:		
Listed investments	<u>1,972,851</u>	<u>0</u>
The historical cost of investments are:		
At 1 January 2020	0	0
Purchase of units	1,869,967	0
Sale of units	0	0
At 31 December 2020	<u>1,869,967</u>	<u>0</u>

The listed investments are managed on behalf of the Institute by Tilney Investment Management Limited

The basis of fair value for listed investments is equivalent to the market value, using the mid-market price.

11 Debtors

	2020 £	2019 £
Amounts falling due within one year		
Debtors in respect of charitable services	1,548	3,707
Other Debtors	7,856	12,793
Total debtors	<u>9,404</u>	<u>16,500</u>

Institute of Measurement & Control
Notes to the Financial Statements
31 December 2020

12 Creditors: amounts falling due within one year

	2020	2019
	£	£
Deferred Income:		
Amounts Received in Advance for subscriptions & services	86,440	93,459
Creditors and accruals for goods and services provided	56,807	97,630
	<u>143,247</u>	<u>191,089</u>

13 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	Movement in Funds		Balance
	31 December	Incoming	Resources	31 December
	2019	Resources	Expended	2020
	£	£	£	£
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.

14 Designated Funds

	Balance	Movement in Funds		Balance
	31 December	Incoming	Resources	31 December
	2019	Resources	Expended	2020
	£	£	£	£
Leo James Prize Fund	1,163	39	0	1,202
	<u>1,163</u>	<u>39</u>	<u>0</u>	<u>1,202</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

15 Analysis of Consolidated Net Assets between Funds

	Unrestricted	Restricted	Total
	Funds	Funds	2020
	£	£	£
Fund Balances at 31 December 2020			
are represented by:			
Tangible Fixed Assets	1,859	0	1,859
Fixed Asset Investments	1,972,851		1,972,851
Current Assets/(Liabilities)	555,748	6,108	561,856
	<u>2,530,458</u>	<u>6,108</u>	<u>2,536,566</u>
Total Net (Liabilities)/Assets			

16 Related party transactions

Remuneration of key management

The remuneration of key management was as follows:

	2020	2019
	£	£
Remuneration of key management	66,124	72,333
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In 2019 this included an overlap of roles by key management