

ANNUAL REPORT AND ACCOUNTS

of the Council of
the Institution of Engineering Designers
1 January 2016 to 31 December 2016

Incorporated by Royal Charter
Charity Registration No. 1145678
Royal Charter No. RC000851

THE INSTITUTION OF ENGINEERING DESIGNERS
REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

THE INSTITUTION OF ENGINEERING DESIGNERS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees at as 31 December 2016

Ms Maggie Philbin OBE (President)
Dr TMB Humphries-Smith BSc PGDip MPhil EdD CEng
CTPD MIED FHEA FRSA (Chair)²
Eurlng Professor SP Vaitkevicius BEng(Hons) MSc CEng
FIED (Vice Chair)^{2,3}
Eurlng C Ledsome BEng MEng CEng FBIS FIMechE FIED
MCMi MDS (Vice Chair)^{2,4}
PKR Bateman EngTech MIED
SJ Benfield CEng CEnv CTPD FIED(PCh)^{2,3,4}
Professor GN Blount BSc MSc PhD CEng FIMechE
FIED(PCh)²
Eurlng Dr LM Buck BSc(Hons) MA PhD CEng CTPD FIED
FHEA FRSA¹
DTH Castle IEng RCADMan FIED MBCS CIP³
Dr CMC Dowlan BTech PhD CEng CTPD FIMechE
REngDes FIED FRSA PFHEA¹
D Farrell BSc(Hons) MTech CEng CTPD FIED
Dr DJB Maffin BEng PhD CEng MIED(PCh) MRINA MAPM²
N Phelps IEng MIED³
Dr CJ Simcock MEng&Man(Hons) EngD CEng CTPD
FIMechE FIED^{1,2}
Dr GAL Tizzard BSc MPhil DIC PhD MIEEEE CEng MIED
FHEA^{1,2}
I Treacy BA MSc IEng MIED MIET
Dr B Watson MDes(Hons) PhD LCGI CEng CEnv CTPD
MIED
Dr K Winning BEng(Hons) MEng MSc PhD CEng MIMechE
CEnv FIED CGeog FRGS
R Yuen MEng CEng MIED³

Honorary Treasurer

ATA Keegan CEng FIED(PCh)^{2,3}

¹ Education and Training Committee

² Membership Accreditation Board

³ Membership Committee

⁴ Editorial Committee

Secretary

Mrs EK Meyrick BSc (Hons) FRSA

Charity number

1145678

Principal address

Courtleigh
Westbury Leigh
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Wiltshire BA13 3TA

Independent examiner

Susan Plumb, ACA
Haines Watts
Old Station House, Station Approach
Newport Street
Swindon
Wiltshire SN1 3DU

THE INSTITUTION OF ENGINEERING DESIGNERS

LEGAL AND ADMINISTRATIVE INFORMATION

Bankers

Lloyds Bank
37 Market Place
Warminster
Wiltshire
BA12 9BD

Solicitors

Thrings LLP
6 Drakes Meadow
Penny Lane
Swindon
Wiltshire
SN3 3LL

Accountants

Haines Watts
Old Station House
Station Approach
Newport Street
Swindon
Wiltshire
SN1 3DU

THE INSTITUTION OF ENGINEERING DESIGNERS

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THE INSTITUTION OF ENGINEERING DESIGNERS

REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The trustees present their report and the audited financial statements for the year ended 31 December 2016.

The accounts comply with the Charities Act 2011, the charity's governing document and the 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).

Structure, governance and management

a. Constitution

The charity is controlled by its governing document, the Royal Charter, By-laws and Regulations.

The trustees who served during the year were:

Ms Maggie Philbin OBE (President)

Dr TMB Humphries-Smith BSc PGDip MPhil EdD
CEng CTPD MIED FHEA FRSA (Chair)

Eurling Professor SP Vaitkevicius BEng(Hons)
MSc CEng FIED (Vice Chair)

Eurling C Ledsome BEng MEng CEng FBIS (Appointed Vice Chair 9 July 2016)
FIMechE FIED MCMi MDS (Vice Chair)

LJ Meaton DipRSA IfL MIED (Vice Chair) (Resigned as Councillor 9 July 2016)

PKR Bateman EngTech MIED (Councillor)

Mr SJ Benfield CEng CEnv CTPD FIED(PCh)
(Councillor)

Professor GN Blount BSc MSc PhD CEng
FIMechE FIED(PCh) (Councillor)

Eurling Dr LM Buck BSc(Hons) MA PhD CEng
CTPD FIED FHEA FRSA (Councillor)

DTH Castle IEng RCADMan FIED MBCS CITP
(Councillor)

Dr CMC Dowlen BTech PhD CEng CTPD
FIMechE REngDes FIED FRSA PFHEA
(Councillor)

D Farrell BSc(Hons) MTech CEng CTPD FIED
(Councillor)

ATA Keegan CEng FIED(PCh) (Honorary Treasurer) (Resigned as Councillor 9 July 2016, retained as Honorary Treasurer)

Dr DJB Maffin BEng PhD CEng MIED(PCh)
MRINA MAPM (Councillor)

N Phelps IEng MIED (Councillor)

Dr CJ Simcock MEng&Man(Hons) EngD CEng
CTPD FIMechE FIED (Councillor)

Dr GAL Tizzard BSc MPhil DIC PhD MIEEEE CEng
MIED FHEA (Councillor)

I Treacy BA MSc IEng MIED MIET (Councillor)

NC Robinson BEng PGDManuf IEng MIED MSEE (Resigned as Councillor 9 July 2016)
MIET (Councillor)

Dr B Watson MDes(Hons) PhD LCGI CEng CEnv (Appointed 9 July 2016)
CTPD MIED (Councillor)

Dr K Winning BEng(Hons) MEng MSc PhD CEng (Appointed 9 July 2016)
MIMechE CEnv FIED CGeog FRGS (Councillor)

R Yuen MEng CEng MIED (Councillor)

THE INSTITUTION OF ENGINEERING DESIGNERS

REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

b. Method of appointment or election of Trustees

The Officers of Council - Chair and Vice Chairs - are elected annually by the Council. An election to Council is held annually in which up to one third of Council are obliged to stand down. They may be re-nominated by Council. Any three Corporate Members may also nominate a qualifying Corporate Member. A postal ballot of all Corporate Members is held where the total number of nominations exceeds the number of vacancies.

The appointment of officers and election of Council is governed by By-laws 40 to 46 of the Institution's governing document. The Honorary Treasurer shall be elected to the post annually by Council.

c. Policies adopted for the induction and training of Trustees

New members of Council are inducted with the appropriate NCVO guidelines.

d. Organisational structure and decision making

Organisation and Structure

To ensure the efficient use of the elected Councillors a Board and Committee structure is in place which involves the commitment of as many of the elected Councillors as possible in the ongoing affairs of the Institution. A small permanent staff headed by the Secretary is employed by Council to deal with the day to day administration of the membership, Engineering Council registration matters, the publication of the Institution's journal Engineering Designer, financial matters and the administration and organisation of its course and conference activities.

Events since the end of the period

Information relating to events since the end of the period is given in the notes to the financial statements.

Staff

As the financial year closed the Institution employed one full-time and six part-time members of staff, including the Secretary. Ms Amanda Gibbs - Records Officer, Mrs Nadine Pearce - PA to the Secretary, Mrs Charlotte Whitehead - Administrative Assistant, Mrs Susan Sloan - Membership Officer, Ms Judith Grace - Education and Training Officer and Mrs Denise Watson - Administrative Assistant, continue to give the Institution invaluable service.

The Secretary's remuneration is set at annual review by the Trustees.

THE INSTITUTION OF ENGINEERING DESIGNERS

REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Wider network

At present the Institution does not consider itself to be part of a wider network.

Engineering Council/EngineeringUK

The Institution's relationships with the Engineering Council and EngineeringUK remain the most important of all its relationships with other charities and organisations. The Institution continues to work closely with both bodies, the IED Secretary continues to serve on the Board of EngineeringUK, as representative of the Group B college of Engineering Institutions, Eurling Professor SP Vaitkevicius represents the Group B college on the Engineering Council Board and other members of Council represented the IED as Liaison Officers and on the Engineering Council's Quality Assurance Committee (QAC).

The Design Society

The Design Society is an international body dedicated to promoting the best in design practice and education. The Institution has co-operated with the Society in the past and the two bodies again came together to collaborate during 2016 as partners in the very successful Engineering and Product Design Education Conference held at Aalborg University, Denmark.

APDIG

During the year, the IED continued to contribute to the All Party Design Interest Group, an organisation focussing on the promotion of design within Parliament and government. The Group have worked on a number of lobbying initiatives aimed at educating parliament about the importance of Design to the wellbeing of individuals and UK Plc.

The Royal Academy of Engineering

The IED continues to work to the Diversity Concordat, with a view to working towards encouraging membership from a wider range of backgrounds. The Secretary also sits on the 'Engineering the Future' working party of the Academy.

The Society for the Environment

The Institution has a licence to award Chartered Environmentalist (CEnv) status to suitably qualified and experienced members and continued to develop and implement assessment procedures during 2016. The Secretary and a volunteer member continue to serve on the Council of the Society.

e. Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Key risks include; loss of licences from Engineering Council and Society for the Environment, loss of key members of staff, loss of tenants at Courtleigh, lack of income from sponsors, seminars or registrations, fire or flood. These and other risks are included on a risk register, with mitigation, actions, response and responsibilities allocated accordingly.

THE INSTITUTION OF ENGINEERING DESIGNERS

REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Objectives and activities

a. Policies and objectives

Mission Statement

To promote the science, technology and education of engineering design and product design in widely diverse fields including mechanical, electrical, electronics, civil, aeronautical and automotive engineering, IT and computing, mechatronics, design management, design consultancy and design education.

To facilitate the exchange of knowledge and ideas and to provide a broad range of services to its members to develop their careers and to achieve success for themselves and for the businesses in which they practice.

To be the leading engineering institution in the field of design and to raise the standing and visibility of the members and to maintain a high standard of professional conduct.

To promote authoritative and ethical advice on matters of design and be the prime focus for the advancement of engineering and product design.

Objects

The main objects of the Institution are to:

- Advance education in Engineering and Technological Product Design and, more particularly, the species of knowledge and application which distinguishes Engineering Design, and the profession directly concerned with Engineering Design;
- Constitute a body of members qualified to a generally recognised high standard.

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Notes:

1. The remaining supporting objects are printed in the Royal Charter of the Institution, a copy of which is available on request from the Institution's Headquarters tel: +44 (0) 1373 822801, email ied@ied.org.uk.

b. Strategies for achieving objectives

Strategy

The Institution's Strategy Document is updated on an annual basis following review by the Council. This document provides the basis from which the objectives in the Mission Statement are developed for the furtherance of the Institution. A baseline review of the Strategy was completed during the year.

Risk Review

The Council has conducted its own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. Significant external risks to income have led to the development of a strategic plan.

THE INSTITUTION OF ENGINEERING DESIGNERS

REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

c. Activities for achieving objectives

Significant activities

2016 saw major change for the Institution in terms of membership structure and subscription renewals. In January, all members were invited to review their subscription renewal for the year – moving from paying annual subscriptions on the anniversary of election, to synchronising all payments to January. This was a complicated move which impacted on the work of most of the IED staff, thanks go to all members for their assistance at this time.

During the year, Council decided to reduce the number of membership grades within the Institution and proposed the withdrawal of the Diplomate and Graduate grades, suggesting that newly qualified members should be fully embraced into the family of the Institution on completion of their academic qualifications. The proposal was welcomed at the AGM held in July and implemented in September.

During the year the suite of registration grades available to members was extended, with the introduction of 'Registered Product Designer'. RProdDes is a professional registration for product designers who don't hold Masters level qualifications but who meet a set of professional competencies on a par with those set for Incorporated Engineer, but with the focus on Product Design.

d. Volunteers

Other than trustees, assessors and committee members the Institution does not rely on volunteers.

THE INSTITUTION OF ENGINEERING DESIGNERS

REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Achievements and performance

a. Review of activities

General Progress

Objectives

The main objective for 2016 was to de-couple membership of the Institution from registration, making becoming a member more straightforward, thereby enabling quicker, more efficient engagement with new members leading to a more personal and supportive relationship on the journey towards professional registration. The aim is to increase the number of professional designers engaging with the Institution, joining the IED family and seeing a real benefit in the support and guidance we can offer with regards to professional registration.

Membership

The fluctuations in membership over the period covered by this report are as follows:

	Dec 2016	Dec 2015
Fellows	195	204
Members	1,778	1,521
Associates	-	129
RCPIED	-	26
Graduates/Diplomates	-	186
Students	3,398	3,190
Company	1	1
Affiliates	76	176
Total	5,448	5,433

The change in membership structure during 2016 shows in the difference in grades as above. The overall number of members has increased, but the grades of Diplomate and Graduate have been merged into MIED.

Continuing Professional Development

The 'MyCareerPath' CPD scheme run by the Engineering Council has been available to IED Members since 2013 with all new members encouraged to enrol. The competencies for MIED, CEnv, CTPD and RProdDes have been uploaded to the system.

Publications

A further six issues of *Engineering Designer* were published during the period covered by the report. Once again the policy has been to publish as many articles written by members as possible covering a wide range of subjects. In addition to automatic circulation to its members the journal remains available by subscription and is circulated free of charge to a number of educational establishments. The decision was taken in early 2016 to move to a primarily electronic circulation of the journal, to save cost and also environmental impact. Feedback from the members on this change has been widely supportive, so the format will continue for the time being. The journal is also available to view online via the members' area of the website.

THE INSTITUTION OF ENGINEERING DESIGNERS

REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Charitable activities

- Staff and Members represented the Institution at a number of exhibitions and events during the year including the PD+I Conference in May, the tct show in September and the Engineering Design Show at Coventry in October.
- IED Staff have worked closely with Dyson to continue with a scheme for the professional development of their designers, leading to registration for their suitably qualified and experienced designers.
- Training days for PR assessors and ICP assessments were held during the year.

The IED works with a number of other bodies to further the promotion and development of Engineering and Design:

- Five IED members volunteer for various BSi Committees advising on the development of relevant standards.
- The IED Secretary represents the Institution and other PEIs on the boards of EngineeringUK and Tomorrow's Engineers, promoting careers in engineering to the future generations.
- The IED has representation on APDIG, the All-Party Design Innovation Group, advising government on policy matters relating to design in the UK.
- The Secretary represents the IED and other PEIs on the Professional Engineering Committee, a body which encompasses the Royal Academy of Engineering, Engineering Council, EngineeringUK and all UK PEIs, providing a port-of-call for government regarding engineering policy consultation as well as being an active body promoting engineering excellence and awareness to the general public.
- During the year a new body, formed to look at the development of Professional Bodies, called '21st Century PEIs' was created, the IED partakes in discussions and workshops to look at how we may evolve to suit the needs of members of the future.

Other Activities

The Institution either ran or participated in the following events during the year:

- The Institution again joined forces with the Design Society in 2016 to run a joint Engineering and Product Design Conference, with the theme of 'Design Education: Collaboration and Cross-Disciplinarity'. The conference was a two-day event held at Aalborg University, Denmark, where a total of 107 papers and 5 posters were presented, all of which have been reproduced on a memory stick and a paperback publication. The event was a great success with 132 attendees.
- The IED continued working with IOM3, RCA, Loughborough University and University of Nottingham on MaDE (Materials and Design Exchange), part of the materials knowledge transfer network. The group's aim is to increase and encourage communications between designers and materials scientists.
- The IED also worked with a number of colleges and universities during 2016 to accredit their educational programmes. Panels of volunteer assessors, accompanied by the IED Secretariat, accredited 48 courses during the year.

THE INSTITUTION OF ENGINEERING DESIGNERS

REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Awards and Prizes

The Institution continued to run the IED Prize aimed at accredited Degree and HNC/D graduates. Three Individual Prizes and two Group Prizes were awarded during the year. In each case the nominated student/graduate had to show that he or she had attained outstanding results on their chosen course, with particular reference to the design related subjects within the course. The awards take the form of an engraved glass coaster. The awards were in the main presented at University and College prize giving events by members of the IED Council or local members. Prizes were also awarded to three best students as judged by IED members of the Malta Branch, with the winning student writing an article for the IED journal.

The Institution's annual awards were presented following the AGM kindly hosted by 3M at their Innovation Centre on Saturday 9 July 2016.

The Institution's most prestigious design award, the Gerald Frewer Memorial Trophy was awarded to Sebastian Conran in recognition of his outstanding contributions to design.

The Hornsby Cup, given for the best article published in the Institution's journal during the previous year, was awarded for the second year running to Brian Wall for his article 'The Landmine Terminator' in the March 2015 issue of the journal.

Four medals of appreciation were awarded:

- Linda Meaton for fourteen years service on the IED Council.
- Stuart McGuigan for fifteen years service on the Membership Committee.
- Neil Phelps for ongoing service to the Institution in the field of apprenticeships.
- Ian Treacy for twenty-four years (and counting) service as Regional Co-ordinator for the East Midlands area.

The Promotion of Design Award is presented to an individual or team for their work in promoting engineering design to a wider audience. The Award for 2016 was presented to Tim Peake for his work in promoting engineering whilst on the international space station.

The Geoff Kirk Young Members Award is aimed at recognising promising new members starting on a career in engineering design. The 2016 winner was Cara O'Sullivan.

The Chairman's Award for 2016 was presented to Tony Keegan in recognition of his ongoing support and guidance in his role as Honorary Treasurer.

The Alex Moulton Award is awarded to recognise outstanding innovation. The 2016 award was presented to Gordon McConnell, Chief Engineer at British Aerospace.

The Kathbert Trophy, awarded to the most promising new member, was presented to Alun Thomas.

In addition, Pete Lomas, founder of Raspberry Pi, attended the awards ceremony to collect his certificate of Honorary Fellowship.

Details of the awards appeared on pages 10 to 12 of the September/October 2016 issue of *Engineering Designer*.

Branches

The Institution supports thirteen branches across the UK plus three overseas branches in Malta, Hong Kong and Malaysia.

THE INSTITUTION OF ENGINEERING DESIGNERS

REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Volunteers

The Institution continues to rely heavily on member volunteers to assist in its activities, particularly in the following areas:

- Membership Committee - in addition to the Council-appointed Chairman and other Council members listed earlier in the report there are other member volunteers who give of their time to assess new membership applications and Technical Report Option Synopsis. Meetings are normally held on the third Wednesday in every month.
- Education and Training Committee - in addition to the Council appointed Chairman and other Council members as listed there are member volunteers who gave their time to consider education and training issues effecting engineering and product design and to assess nominations for the Institution's Awards Schemes. The Committee meets six times per year.
- Course Accreditations - the Education and Training Officer keeps a database of trained and experienced members to assist with accreditation of academic courses in engineering and product design.

The membership database contains details of those members who have agreed to undertake interviews of potential and existing members or who act as mentors in respect of the following requirements:

- Professional Review interviews which are a requirement for engineer's registration at CEng, IEng and some EngTech level.
- Technical Report interviews at all three levels.
- Chartered Environmentalist interviews.
- CTPD interviews.

There are eleven volunteers on each of the Membership and Education Committees.

b. Investment policy and performance

The trustees are currently satisfied with the investment performance of the assets and at present do not have any plans to expand its portfolio or feel it necessary to dispose of those currently in use.

c. Factors relevant to achieve objectives

The trustees have made a full assessment of the internal and external factors that may affect these financial statements and do not deem any factors material enough to have an impact.

Financial review

a. The statement of financial activities (page 14) shows that for this year there was a deficit of £6,189 (2015 - deficit of £139,884). The financial statements include a prior year adjustment to subscription and fee income. Further details are set out in note 19.

Total resources expended amounted to £311,016.

THE INSTITUTION OF ENGINEERING DESIGNERS

REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

b. Reserves

Total reserves amounts to £388,713 (2015 £394,902). General reserves (excluding restricted and endowment funds) stand at £368,767. It is the IED's policy that unrestricted funds not presently committed or invested in tangible fixed assets should not be designated for specific future expenditure.

Restricted reserves stand at £19,946.

Free reserves (unrestricted reserves not tied up in fixed assets) are currently in deficit. The Trustees have a three-tiered plan to address this situation, with management of expenditure to help minimise the immediate gap (expenditure in 2016 £61k less than 2015), intermediate plans to realise some of the assets that are within Courtleigh and longer term plans to raise capital for the development of the Institution in the not too distant future.

The financial statements have been prepared on a going concern basis. The Institution is returning ongoing deficits each year. This, along with the timing of receipts of subscription income, means that working capital requirements can fluctuate significantly during the year. The Institution has access to both short term (overdraft) and medium term funding (loans) to address this. It also has longer term (realisation of asset) plans in place.

THE INSTITUTION OF ENGINEERING DESIGNERS

REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

b. Principal funding

The Institution's principal source of funding is its subscriptions from its members.

Plans for the future

a. Future developments

During 2017 the main aim is to promote the suite of registration grades available to IED members and to encourage more designers to join the Institution and take up professional registration. The new Experiential Learning Route will help with this aim, along with the launch and wider promotion of Registered Product Designer.

New promotional literature, a marketing campaign working with students to improve their membership benefits and interaction and a focus on diversity in membership will all help to achieve this target of increased applications.

The Institution is also due to undergo a five year licence by the Engineering Council during the year.

GIFT AID

The Institution approached members asking them whether they would be prepared to sign a gift aid declaration so that income tax relief could be claimed on their subscriptions, Benevolent Fund contributions and Education Fund contributions.

On behalf of the board of trustees

.....
Mrs EK Meyrick BSc (Hons) FRSA

Secretary

Dated:

THE INSTITUTION OF ENGINEERING DESIGNERS

STATEMENT OF RESPONSIBILITIES

The trustees are responsible for preparing the Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE INSTITUTION OF ENGINEERING DESIGNERS

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE INSTITUTION OF ENGINEERING DESIGNERS

I report on the accounts of the charity for the year ended 31 December 2016, which are set out on pages 14 to 25.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's 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 I am qualified to undertake the examination being a qualified member of the ICAEW.

It is my responsibility to:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the 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 statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 130 of the 2011 Act; and
 - (ii) to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act;have not been met; or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Susan Plumb, ACA

Haines Watts
Old Station House
Station Approach
Newport Street
Swindon
Wiltshire
SN1 3DU

Dated:

THE INSTITUTION OF ENGINEERING DESIGNERS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 Restated £
<u>Incoming resources from generated funds</u>					
Donations and legacies	2	271,047	264	271,311	207,172
Activities for generating funds	3	24,595	-	24,595	18,576
Investment income	4	99	-	99	158
		<u>295,741</u>	<u>264</u>	<u>296,005</u>	<u>225,906</u>
Incoming resources from charitable activities	5	8,822	-	8,822	8,216
		<u>304,563</u>	<u>264</u>	<u>304,827</u>	<u>234,122</u>
<u>Resources expended</u>					
Costs of generating funds					
Costs of generating donations and legacies	6	159,544	-	159,544	207,824
		<u>145,283</u>	<u>264</u>	<u>145,283</u>	<u>26,295</u>
Charitable activities					
IED		150,680	-	150,680	165,821
Benevolent Fund		-	792	792	-
Bowden Project		-	-	-	361
		<u>150,680</u>	<u>792</u>	<u>151,472</u>	<u>166,182</u>
Total charitable expenditure		<u>150,680</u>	<u>792</u>	<u>151,472</u>	<u>166,182</u>
Total resources expended		<u>310,224</u>	<u>792</u>	<u>311,016</u>	<u>374,006</u>
Net expenditure for the year		<u>(5,661)</u>	<u>(528)</u>	<u>(6,189)</u>	<u>(139,884)</u>
Transfer of funds	17	31,795	(31,795)	-	-
Net movement in funds		<u>26,134</u>	<u>(32,323)</u>	<u>(6,189)</u>	<u>-</u>
Fund balances at 1 January 2016		454,301	52,269	506,570	534,786
Prior year adjustment	19	(111,668)	-	(111,668)	-
		<u>342,633</u>	<u>52,269</u>	<u>394,902</u>	<u>534,786</u>
Fund balances at 31 December 2016		<u><u>368,767</u></u>	<u><u>19,946</u></u>	<u><u>388,713</u></u>	<u><u>394,902</u></u>

THE INSTITUTION OF ENGINEERING DESIGNERS

BALANCE SHEET

AS AT 31 DECEMBER 2016

		2016		2015 Restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	14		486,038		494,532
Current assets					
Stocks		4,330		5,608	
Debtors	15	17,091		169,497	
Cash at bank and in hand		40,623		63,735	
		<u>62,044</u>		<u>238,840</u>	
Creditors: amounts falling due within one year	16	<u>(159,369)</u>		<u>(338,470)</u>	
Net current assets			<u>(97,325)</u>		<u>(99,630)</u>
Total assets less current liabilities			<u>388,713</u>		<u>394,902</u>
Income funds					
Restricted funds	17		19,946		52,269
Unrestricted funds			<u>368,767</u>		<u>342,633</u>
			<u>388,713</u>		<u>394,902</u>

The accounts were approved by the Trustees on

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Mrs E K Meyrick BSc (Hons) FRSA
Secretary

THE INSTITUTION OF ENGINEERING DESIGNERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

1.1 Basis of preparation

The Institution of Engineering Designers is a registered charity in England / Wales established under Royal Charter. The address of the registered office is given in the charity information at the start of these financial statements. The nature of the charity's operations and principal activities are set out in the Trustees Report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 1A) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

The charity adopted SORP (FRS 102) in the current year and no transitional adjustments were required to income or expenditure.

The financial statements have been prepared on a going concern basis. The Institute is returning ongoing deficits each year. This, along with the timing of receipts of subscription income, means that working capital requirements can fluctuate significantly during the year. The Institute has access to both short term (overdraft) and medium term funding (loans) to address this. It also has longer term (realisation of asset) plans in place. Accordingly the financial statements have been prepared on the going concern basis.

1.2 Incoming resources

Subscription income from members is accounted for in the period to which it relates. The institution also receives advertising income in respect of its journal and rental income in respect of its freehold property. These are accounted for on a receivable basis.

All incoming resources are included in the Statement of Financial Activities when the charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.3 Resources expended

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resource.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land is not depreciated

Freehold buildings

2% on cost

Plant and machinery

at varying rates on cost

THE INSTITUTION OF ENGINEERING DESIGNERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

1.8 Funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

1.9 Debtors

Trade and other debtors are recognised at the settlement amounts due. Prepayments are valued at the amounts prepaid.

2.0 Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

THE INSTITUTION OF ENGINEERING DESIGNERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

2 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Donations and gifts	14,808	264	15,072	25,304
Subscriptions and membership income	256,239	-	256,239	181,868
	<u>271,047</u>	<u>264</u>	<u>271,311</u>	<u>207,172</u>

Subscriptions and membership income receivable

Unrestricted funds:

	2016 £	2015 £
Subscription and fee income from members	231,389	156,876
Sponsorship and commissions	13,794	7,795
Members joining fees	11,056	17,197
	<u>256,239</u>	<u>181,868</u>

3 Activities for generating funds

	2016 £	2015 £
Activities for generating funds	24,595	18,576
Net Activities for generating funds	<u>24,595</u>	<u>18,576</u>

4 Investment income

	2016 £	2015 £
Income from unlisted investments	99	158

THE INSTITUTION OF ENGINEERING DESIGNERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

5 Incoming resources from charitable activities

	2016 £	2015 £
Seminar and course income	<u>8,822</u>	<u>8,216</u>

6 Total resources expended

	2016 £	2015 £
Costs of generating funds		
Costs of generating donations and legacies	<u>159,544</u>	<u>207,824</u>

Charitable activities

	2016 £	2015 £
<u>IED</u>		
Activities undertaken directly	64,265	63,770
Grant funding of activities	1,025	-
Support costs	85,390	102,051
Total	<u>150,680</u>	<u>165,821</u>

Bowden Project

Support costs	-	361
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Benevolent Funds

Support costs	<u>792</u>	<u>-</u>
	<u>151,472</u>	<u>166,182</u>
	<u>311,016</u>	<u>374,006</u>

Included in support costs are payments to the Independent Examiner of £3,000 (2015: £5,011).

THE INSTITUTION OF ENGINEERING DESIGNERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

7 Costs of generating donations and legacies

	2016	2015
	£	£
Other costs comprise:		
Website running costs	150	2,990
Councillor expenses	5,185	8,195
Secretariat expenses	5,767	6,297
New members expenses	4,188	8,526
Branch expenses reimbursed	411	-
Marketing & promotions	40	916
Exhibitions costs	336	2,766
AGM/EGM expenses	1,196	1,686
Special Interest Group costs	-	484
70th anniversary event costs	-	9,683
Decrease/(increase) in stock	1,278	(1,375)
Support costs	140,993	166,506
	<u>159,544</u>	<u>207,824</u>

8 Activities undertaken directly

	2016	2015
	£	£
Other costs relating to IED comprise:		
Journal publishing costs	59,732	65,087
University accreditation costs	4,533	(1,317)
	<u>64,265</u>	<u>63,770</u>

9 Grants payable

	2016	2015
	£	£
IED	<u>1,025</u>	<u>-</u>

THE INSTITUTION OF ENGINEERING DESIGNERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

10 Support costs

	IED	Benevolent Fund	Total 2016	Total 2015
	£	£	£	£
Administration	90,142	-	90,142	119,382
Bowden Project	-	-	-	361
Staff costs	126,406	-	126,406	134,876
Benevolent Fund	-	792	792	-
Depreciation	10,068	-	10,068	9,288
	<u>226,616</u>	<u>792</u>	<u>227,408</u>	<u>263,907</u>

11 Support Costs - IED

Description	Costs of Generating Voluntary Income	Investment Management Costs	Governance Costs	Educational Schemes	Journal
Percentage	62.00%	0.50%	1.50%	27.00%	9.00%
Wages & salaries	73,612	594	1,781	32,057	10,686
Employer's National Insurance	3,543	29	86	1,543	514
Employer's pension contributions	1,217	10	29	530	177
Freehold property depreciation	4,774	39	116	2,079	693
Other depreciation	1,468	12	36	639	213
Operating lease rentals	1,231	10	30	536	179
Property maintenance	11,686	94	283	5,089	1,696
Equipment maintenance	201	2	5	88	29
General expenses	740	6	18	332	107
Gratuities & honoraria	-	-	-	-	-
Office refreshments	179	1	4	78	26
Subscriptions payable	1,233	10	30	537	179
Rates & water	1,569	13	38	684	228
Insurance	2,259	18	55	984	328
Light & heat	6,080	49	147	2,647	883
Printing & stationery	2,254	19	55	982	328
Postage	3,469	28	84	1,511	504
Telephone	1,798	14	43	783	261
Accountancy fees	2,280	19	56	993	331
Legal & professional fees	5,318	43	129	2,316	772
Bank charges	2,909	23	70	1,267	422
Irrecoverable VAT	5,070	41	123	2,208	736
Staff training	185	1	4	80	27
Project Courtleigh	3,100	25	75	1,350	450
Loan interest	794	6	19	346	115
Computer expenditure/IT support	4,024	32	97	1,752	584
Provision for bad debts	-	-	-	-	-
Total	<u>140,993</u>	<u>1,137</u>	<u>3,411</u>	<u>61,400</u>	<u>20,467</u>

THE INSTITUTION OF ENGINEERING DESIGNERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

11 Support Costs - IED

Description	Total 2016 £	Total 2015 £
Wages & salaries	118,729	125,286
Employer's National Insurance	5,715	7,615
Employer's pension contributions	1,962	1,975
Freehold property depreciation	7,700	7,700
Other depreciation	2,368	1,588
Operating lease rentals	1,985	3,029
Property maintenance	18,849	19,130
Equipment maintenance	325	636
General expenses	1,193	148
Gratuities & honoraria	-	1,431
Office refreshments	288	42
Subscriptions payable	1,989	2,730
Rates & water	2,531	2,859
Insurance	3,643	3,401
Light & heat	9,805	7,249
Printing & stationery	3,636	3,491
Postage	5,595	14,346
Telephone	2,899	2,012
Accountancy fees	3,677	10,321
Legal & professional fees	8,578	9,588
Bank charges	4,691	7,126
Unrecoverable Input VAT	8,178	10,044
Staff training	298	465
Project Courtleigh	5,001	-
Loan interest	1,281	-
Computer expenditure/IT support	6,490	12,285
Provision for bad debts	-	9,049
Total	227,408	263,546

12 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but were reimbursed a total of £5,185 for expenses (2015: were reimbursed £8,195). This included £3,015 (2015 £5,230) in relation to travel expenditure, £1,023 (2015 £2,447) for meetings and the remainder £1,147 (2015 £488) was for other expenditure.

Five trustees loaned a total of £95,000 to the charity during the year as short term working capital. Loan interest at 2.95% per month is payable on the loans being £1,281 for 2016. The loans have been fully repaid post year end. No other related party transactions took place during the year.

THE INSTITUTION OF ENGINEERING DESIGNERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

13 Employees

Staff Costs

	2016 £	2015 £
Wages and salaries	118,729	125,286
Employer's National Insurance contributions	5,715	7,615
Pension costs	1,962	1,975
	<u>126,406</u>	<u>134,876</u>

There were no employees whose annual remuneration was £60,000 or more.

The average monthly number of employees during the year was 7 (2015: 8).

14 Tangible fixed assets

	Land and buildings £	Computer Equipment £	Fixtures and Fittings £	Total £
Cost				
At 1 January 2016	518,498	10,632	6,655	535,785
Additions	<u>-</u>	<u>574</u>	<u>-</u>	<u>574</u>
At 31 December 2016	<u>518,498</u>	<u>11,206</u>	<u>6,655</u>	<u>536,359</u>
Depreciation				
At 1 January 2016	30,042	5,258	4,953	40,253
Charge for the year	<u>7,700</u>	<u>2,068</u>	<u>300</u>	<u>10,068</u>
At 31 December 2016	<u>37,742</u>	<u>7,326</u>	<u>5,253</u>	<u>50,321</u>
Net book value				
At 31 December 2016	<u>480,756</u>	<u>3,880</u>	<u>1,402</u>	<u>486,038</u>
At 31 December 2015	<u>488,456</u>	<u>5,374</u>	<u>1,702</u>	<u>495,532</u>

Included in land and buildings is freehold land of £165,000 (2015 £165,000). Assets were transferred into IED during 2014 at book value and are carried at cost less depreciation charged.

15 Debtors

	2016 £	2015 £
Trade debtors	3,061	148,427
Other debtors	9,936	17,976
Prepayments and accrued income	4,094	3,094
	<u>17,091</u>	<u>169,497</u>

THE INSTITUTION OF ENGINEERING DESIGNERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

16	Creditors: amounts falling due within one year	2016	2015
		£	£
	Trade creditors	5,177	369
	Other creditors	147,082	105,760
	Accruals	7,110	12,229
	Deferred income	-	220,112
		<u>159,369</u>	<u>338,470</u>

No deferred income arises at the year end. All subscriptions for 2017 were invoiced post year end.

17 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:

	Movement in funds			
	Balance at 1 January 2016	Net movement	Transfer	Balance at 31 December 2016
	£	£	£	£
Restricted Funds	52,269	(528)	(31,795)	19,946
	<u>52,269</u>	<u>(528)</u>	<u>(31,795)</u>	<u>19,946</u>

1. Benevolent Fund – funded by donations from members and used to pay direct grants or, where specifically approved by Council, annual subscriptions on behalf of applicant members who otherwise cannot afford to retain their membership.

2. Education Fund – funded by donations from members and used to provide assistance to student members.

3. Tony Bowden Fund – a bequest from a former Vice Chairman received in 2010 and used to promote engineering design education and the institution generally.

A review of the restricted funds has been carried out during the year. The restrictions placed on the Education and Tony Bowden Funds have been satisfied and accordingly any remaining funds have been transferred to unrestricted funds leaving just the Benevolent Fund as restricted.

18 Analysis of net assets between funds

	Unrestricted	Restricted	Total
	£	£	£
Fund balances at 31 December 2016 are represented by:			
Tangible fixed assets	486,038	-	486,038
Current assets	42,098	19,946	62,044
Creditors: amounts falling due within one year	(159,369)	-	(159,369)
	<u>368,767</u>	<u>19,946</u>	<u>388,713</u>

THE INSTITUTION OF ENGINEERING DESIGNERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

19 Prior Year Adjustment

A prior year adjustment of £111,668 has been made to subscription and fee income in the 2015 comparative figures. The deferred income balance at 31 December 2015 was understated by this amount and has now been correctly reflected as income for 2016.

THE INSTITUTION OF ENGINEERING DESIGNERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Detailed Income and Expenditure account

	2016 £	2015 £
Income		
Incoming resources from generated funds		
Donations and gifts	702	5,251
Gift Aid	14,370	20,053
Subscriptions & fee income from members	231,389	156,876
Sponsorship and commissions	13,794	7,795
Members joining fees	11,056	17,197
	<u>271,311</u>	<u>207,172</u>
Activities for generating funds		
Net income from trading	-	3
Journal advertising and non-member subscriptions	1,822	1,813
Rental income, room hire charges & sundry income	22,773	16,760
	<u>24,595</u>	<u>18,576</u>
Investment income		
Bank and building society interest	99	158
Incoming resources from charitable activities		
Seminar and course income	8,822	8,216
	<u>304,827</u>	<u>234,122</u>
Expenditure		
Costs of generating funds		
Website running costs	150	2,990
Councillor expenses	5,185	8,195
Secretariat expenses	5,767	6,297
New members expenses	4,188	8,526
Branch expenses reimbursed	411	-
Costs of trophies & awards	-	1,150
Marketing & promotions	40	916
Exhibitions costs	336	2,766
AGM/EGM expenses	1,196	1,686
Special Interest Group costs	-	484
70th anniversary event costs	-	9,683
Decrease/(increase) in stock	1,278	(1,375)
	<u>18,551</u>	<u>41,318</u>

THE INSTITUTION OF ENGINEERING DESIGNERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Detailed Income and Expenditure account

Charitable activities

Journal publishing costs	59,732	65,087
University accreditation	4,533	(1,317)
	<u>64,265</u>	<u>63,770</u>

Other resources expended (restricted)

Bowden Project - other costs (restricted)	-	361
Benevolent Fund	792	-
	<u>792</u>	<u>361</u>

Support costs

Wages & salaries	118,729	125,286
Employer's National Insurance	5,715	7,615
Employer's pension contributions	1,962	1,975
Freehold property depreciation	7,700	7,700
Plant & machinery depreciation	300	300
Computer equipment depreciation	2,068	1,288
Operating lease rentals	1,985	3,029
Property maintenance	18,849	19,130
Equipment maintenance	325	636
General expenses	1,483	148
Gratuities & honoraria	-	1,431
Office refreshments	-	42
Subscriptions payable	1,989	2,730
Rates & water	2,531	2,859
Insurance	3,643	3,401
Light & heat	9,805	7,249
Printing & stationery	3,636	3,491
Postage	5,595	14,346
Telephone	2,899	2,012
Accountancy fees	3,677	10,321
Legal & professional fees	8,578	9,588
Bank charges	4,691	7,126
Unrecoverable Input VAT under Partial Exemption rules	8,178	10,044
Loan interest	1,281	-
Staff training	298	465
Computer expenses/IT support	6,490	12,285
Project Courtleigh	5,001	-
Provision for bad debts	-	9,049
	<u>227,408</u>	<u>263,546</u>

THE INSTITUTION OF ENGINEERING DESIGNERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Detailed Income and Expenditure account

Total expenditure

311,016

374,006

Total movement in Funds

(6,189)

(139,884)