

ANNUAL REPORT AND ACCOUNTS

of the Council of
the Institution of Engineering Designers
1 January 2018 to 31 December 2018

THE INSTITUTION OF ENGINEERING DESIGNERS
REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

THE INSTITUTION OF ENGINEERING DESIGNERS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees as at 31 December 2018

Pete Lomas FEng HonFIED (President)
Eurlng C Ledsome BEng MEng CEng FBIS FIMechE FIED
MCMl MDS (Chair) ^{2, 4}
Dr TMB Humphries-Smith BSc PGDip MPhil EdD CEng CTPD
MIED(PCh) FHEA FRSA (Immediate Past Chair) ²
DTH Castle IEng RCADMan FIED MBCS CITP (Vice Chair) ^{2, 3}
N Phelps IEng MIED MIET (Vice Chair) ^{2, 3}
PKR Bateman EngTech MIED
SJ Benfield CEng CEnv CTPD FIED(PCh) ^{2, 3, 4}
Eurlng Dr LM Buck BSc(Hons) MA PhD CEng CTPD FIED
FHEA FRSA ¹
D Farrell BSc (Hons) MTech CEng CTPD FIED
Dr CJ Simcock MEng&Man(Hons) EngD CEng CTPD
FIMechE FIED ^{1, 2}
Dr GAL Tizzard BSc MPhil DIC PhD MIEEE CEng MIED
FHEA ^{1, 2}
I Treacy BA MSc IEng MIED MIET
Dr B Watson MDes(Hons) PhD LCGI CEng CEnv CTPD MIED

Eurlng SP Vaitkevicius BEng(Hons) MSc CEng FIED (Vice
Chair) ^{2, 3}
Dr K Winning BEng(Hons) MEng MSc PhD CEng FIMechE
CEnv FIED CGeog FRGS
R Yuen MEng CEng MIED MICE

Trustee & 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
Westbury
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
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THE INSTITUTION OF ENGINEERING DESIGNERS

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THE INSTITUTION OF ENGINEERING DESIGNERS

REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The trustees present their report and the financial statements for the year ended 31 December 2018.

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:

Pete Lomas FEng HonFIED (President)	(Appointed as President 21 July 2018)
Ms Maggie Philbin OBE (President)	(Resigned as President 21 July 2018)
Dr TMB Humphries-Smith BSc PGDip MPhil EdD CEng CTPD MIED(PCh) FHEA FRSA (Chair)	(Resigned as Chair 21 July 2018)
Eurling SP Vaitkevicius BEng(Hons) MSc CEng FIED (Vice Chair/Councillor)	(Resigned as Vice Chair 21 July 2018)
Eurling C Ledsome BEng MEng CEng FBIS FIMechE FIED MCMI MDS (Vice Chair/Chair)	(Resigned as Vice Chair, appointed as Chair 21 July 2018)
PKR Bateman EngTech MIED (Councillor)	
SJ Benfield CEng CEnv CTPD FIED(PCh) (Councillor)	
Professor GN Blount BSc MSc PhD CEng FIMechE FIED(PCh) (Councillor)	(Resigned as Councillor 21 July 2018)
Eurling Dr LM Buck BSc(Hons) MA PhD CEng CTPD FIED FHEA FRSA (Councillor)	
DTH Castle IEng RCADMan FIED MBCS CITP (Councillor/Vice Chair)	(Appointed Vice Chair 21 July 2018)
D Farrell BSc(Hons) MTech CEng CTPD FIED (Councillor)	
ATA Keegan CEng FIED(PCh) (Honorary Treasurer and Councillor)	
N Phelps IEng MIED MIET (Councillor/Vice Chair)	(Appointed Vice Chair 21 July 2018)
Dr CJ Simcock MEng&Man(Hons) EngD CEng CTPD FIMechE FIED (Councillor)	
Dr GAL Tizzard BSc MPhil DIC PhD MIEEE CEng MIED FHEA (Councillor)	
I Treacy BA MSc IEng MIED MIET (Councillor)	
Dr B Watson MDes(Hons) PhD LCGI CEng CEnv CTPD MIED (Councillor)	
Dr K Winning BEng(Hons) MEng MSc PhD CEng FIMechE CEnv FIED CGeog FRGS (Councillor)	
R Yuen MEng CEng MIED MICE (Councillor)	

THE INSTITUTION OF ENGINEERING DESIGNERS

REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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 three full-time and three part-time members of staff, including the Secretary. Ms Amanda Gibbs - Accounts Officer, Mrs Nadine Pearce - PA to the Secretary, Mrs Kim Clarke - Membership Officer and Mrs Denise Watson - Administrative Assistant, continue to give the Institution invaluable service. Ms Judith Grace, Education and Training Officer, left in February 2018, Mrs Jo Winslow was welcomed to the position.

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 2018

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 served on the Board of EngineeringUK, as representative of the Group B college of Engineering Institutions until July, Eurling 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 2018 as partners in the very successful Engineering and Product Design Education Conference held at Imperial College, London.

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 'Professional Engineering Committee' administered by the Academy. In addition, members of the IED contributed to reports drawn up by the Academy during the year, including an investigation into inclusivity in digital skills.

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 2018. The Secretary and a volunteer member continue to serve on the Council and Registration Authority 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 2018

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.

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 2018

c. Activities for achieving objectives

Significant activities

A number of projects were continued during 2018, all aimed at securing the future of the Institution. The four main projects were:

Project Courtleigh – the working group continued review of the asset that is IED HQ with significant plans due to be announced during 2019.

End point assessment – the Institution is looking further at how best to register as an EPA for degree level apprenticeships to provide services to educational establishments and potential members.

GDPR – the IED became GDPR compliant by the deadline in May and continues to work on the security and management of data within the Institution.

IT review – an Institution-wide review of IT was carried out, resulting in the updating of all systems and hardware and the introduction of Office 365, which will have great positive impact on the future administration of the organisation.

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 2018

Achievements and performance

a. Review of activities

General Progress

Objectives

The main objective for 2018 was to promote the suite of registration grades available to professional designers, with a view to increasing membership applications. New promotional materials have been developed and all new members are encouraged to pursue the appropriate grade and type of registration after initial assessment by the Membership Committee.

Membership

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

	Dec 2018	Dec 2017
Fellows	174	191
Members	1,561	1,622
Students (including OU)	3,529	3,113
Affiliates	34	46
Total	5,298	4,972

Membership numbers have increased during the year, mainly due to an increase in sign-up by students from accredited courses. Efforts are being made to attract more Member grade professionals to replace those coming to the end of their careers, this has seen a positive impact in 2018, with Member numbers dropping by 61, compared to a decrease of 156 in 2017.

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. The Engineering Council have introduced mandatory CPD monitoring for all PEIs. The IED developed a monitoring and feedback process to meet this requirement which was refined in 2018. 10% of registrants were randomly sampled and asked to provide up-to-date CPD records for the previous 12 months.

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 2018 to return to print copy of the journal for all paying UK-based members. The journal is available electronically to all members including those who live internationally and non-paying students.

THE INSTITUTION OF ENGINEERING DESIGNERS

REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Charitable activities

- Staff and Members represented the Institution at a number of exhibitions and events during the year including 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. This scheme is being rolled out across a number of industrial partners.
- Training days for PR assessors, ICP assessments and course accreditations 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 represented the Institution and other PEIs on the boards of EngineeringUK and Tomorrow's Engineers, promoting careers in engineering to the future generations.
- 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 the IED continued to contribute to '21st Century PEIs', the IED partakes in discussions and workshops to look at how we may evolve to suit the needs of members of the future.
- A member of the IED worked on the Royal Academy of Engineering's consultation with DCMS on 'digital skills and inclusion'.
- Volunteer members also sit on the QAC and RSC Committees at the Engineering Council, the EAB and Council and RSA of the Society for the Environment.

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 2018 to run a joint Engineering and Product Design Conference, with the theme of 'Assessment & Learning: New assessment methods, student-written design and engineering education papers'. The conference was a two-day event held at Imperial College, London, where a total of 125 papers were presented, all of which have been reproduced on a memory stick and a paperback publication. The event was a great success with 180 attendees.
- The IED continued working with IOM3, RCA, the Crafts Council and independent advisors 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 2018 to accredit their educational programmes. Panels of volunteer assessors, accompanied by the IED Secretariat, carried out 10 accreditation visits during the year, with 35 courses accredited.

THE INSTITUTION OF ENGINEERING DESIGNERS

REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Awards and Prizes

The Institution continued to run the IED Prize aimed at accredited Degree and HNC/D graduates. Sixteen Individual 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 held at Aerospace Bristol on Saturday 21 July 2018.

The Institution's most prestigious design award, the Gerald Frewer Memorial Trophy was awarded to the HMS Queen Elizabeth Design Team in recognition of their efforts in collaborative design processes.

The Hornsby Cup, given for the best article published in the Institution's journal during the previous year, was awarded to Brian Wall for his article 'Airlander'.

The Hills Millennium Award was presented to Marcus Engman, head of design at IKEA.

Five medals of appreciation were awarded:

- Professor Gordon Blount for 15 years service as Member of Council
- Dave Castle for leadership in GDPR compliance
- Dr Andrew Tizzard for eight years as Chair of ETC
- Eurling Simon Vaitkevicius for eight years as Chair of MEMCO
- Denise Watson for 25 years service as a member of staff at HQ

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 2018 was presented to Rob Bell for his work on a variety of television series.

The Geoff Kirk Young Members Award is aimed at recognising promising new members starting on a career in engineering design. The 2018 winner was James Lewis of AWE.

The Alex Moulton Award is awarded to recognise outstanding innovation. The 2018 award was presented to Phil Eaglesham and design team behind the Victor wheelchair.

The Kathbert Trophy, awarded to the most promising new member, was presented to Jennifer Roberts.

The Founders Award was presented to Dr Tania Humphries-Smith to mark her three years as Chair of Council.

Details of the awards appeared on pages 6 to 9 of the September/October 2018 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 2018

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 Chair 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 Chair 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 and ELR interviews at all three levels
- Chartered Environmentalist interviews
- CTPD, RProdDes, RCP and RCADMan interviews

There are thirteen volunteers on the Membership Committee and fifteen volunteers on the Education and Training Committee.

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 13) shows that for this year there was a surplus of £21,588 (2017 - deficit of £12,747).

Total resources expended amounted to £311,384.

THE INSTITUTION OF ENGINEERING DESIGNERS

REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

b. Reserves

Total reserves amounts to £397,554 (2017 £375,966). General reserves (excluding restricted and endowment funds) stand at £379,107. 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 £18,447.

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, 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 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.

c. Principal funding

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

Plans for the future

Future developments

Project Courtleigh will see some significant decisions and announcements during the year. The adoption of the new IT system will see some changes in administration and communication at the Institution. In addition, the Trustees are carrying out a '2020' review of the IED, planning for the next 75 years of the Institution.

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 2018, which are set out on pages 13 to 23.

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 2018

		Unrestricted funds	Restricted funds	Total 2018	Total 2017
	Notes	£	£	£	£
<u>Incoming resources from generated funds</u>					
Donations and legacies	2	268,236	6,000	274,236	257,148
Activities for generating funds	3	34,863	-	34,863	29,523
Investment income	4	46	-	46	86
		<u>303,145</u>	<u>6,000</u>	<u>309,145</u>	<u>286,757</u>
Incoming resources from charitable activities	5	23,827	-	23,827	1,288
		<u>326,972</u>	<u>6,000</u>	<u>332,972</u>	<u>288,045</u>
<u>Resources expended</u>					
	6				
<u>Costs of generating funds</u>					
Costs of generating donations and legacies		155,475	-	155,475	152,116
		<u>171,497</u>	<u>6,000</u>	<u>177,497</u>	<u>135,929</u>
<u>Charitable activities</u>					
IED		154,936		154,936	148,101
Benevolent Fund		-	973	973	575
		<u>154,936</u>	<u>973</u>	<u>155,909</u>	<u>148,676</u>
<u>Total charitable expenditure</u>					
		<u>310,411</u>	<u>973</u>	<u>311,384</u>	<u>300,792</u>
<u>Total resources expended</u>					
		<u>16,561</u>	<u>5,027</u>	<u>21,588</u>	<u>(12,747)</u>
<u>Net expenditure for the year</u>					
Transfer of funds	17	6,000	(6,000)	-	-
		<u>22,561</u>	<u>(973)</u>	<u>21,588</u>	<u>(12,747)</u>
<u>Net movement in funds</u>					
Fund balances at 1 January 2017		356,546	19,420	375,966	388,713
		<u>379,107</u>	<u>18,447</u>	<u>397,554</u>	<u>375,966</u>
<u>Fund balances at 31 December 2018</u>					

THE INSTITUTION OF ENGINEERING DESIGNERS

BALANCE SHEET

AS AT 31 DECEMBER 2018

		2018		2017	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	14		488,631		484,878
Current assets					
Stocks		6,388		6,061	
Debtors	15	7,960		9,402	
Cash at bank and in hand		28,152		58,673	
		<u>42,500</u>		<u>74,136</u>	
Creditors: amounts falling due within one year	16	<u>(133,577)</u>		<u>(183,048)</u>	
Net current (liabilities)/assets			<u>(91,077)</u>		<u>(108,912)</u>
Total assets less current liabilities			<u><u>397,554</u></u>		<u><u>375,966</u></u>
Income funds					
Restricted funds	17		18,447		19,420
Unrestricted funds			<u>379,107</u>		<u>356,546</u>
			<u><u>397,554</u></u>		<u><u>375,966</u></u>

The accounts were approved by the Trustees on

.....
Mrs E K Meyrick BSc (Hons) FRSA
Secretary

THE INSTITUTION OF ENGINEERING DESIGNERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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 financial statements have been prepared on a going concern basis. 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

Plant and machinery

nil

at varying rates on cost

THE INSTITUTION OF ENGINEERING DESIGNERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2018

Tangible fixed assets and depreciation (continued)

The accounting policy for the depreciation of land and buildings has been changed during the prior year. No depreciation is provided on land and buildings with an estimated useful life in excess of 50 years as the entity has a policy of maintaining the property in good condition therefore prolonging its useful life and any depreciation involved would not be material. Due to this policy, the building maintains a residual disposal value at least equal to its book value.

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 2018

2 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Donations and gifts	26,520	-	26,520	23,144
Subscriptions and membership income	247,716	-	247,716	234,004
	<u>274,236</u>	<u>-</u>	<u>274,236</u>	<u>257,148</u>

Subscriptions and membership income receivable

Unrestricted funds:

	2018 £	2017 £
Subscription and fee income from members	213,294	209,356
Accreditation fees	17,847	6,880
Members joining fees	16,575	17,768
	<u>247,716</u>	<u>234,004</u>

3 Activities for generating funds

	2018 £	2017 £
Activities for generating funds	34,863	29,523
Net Activities for generating funds	<u>34,863</u>	<u>29,523</u>

4 Investment income

	2018 £	2017 £
Bank interest	46	86

THE INSTITUTION OF ENGINEERING DESIGNERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

5 Incoming resources from charitable activities

	2018 £	2017 £
Seminar and course income	<u>23,827</u>	<u>1,288</u>

6 Total resources expended

	2018 £	2017 £
Costs of generating funds		
Costs of generating donations and legacies	<u>155,475</u>	<u>152,116</u>

Charitable activities

	2018 £	2017 £
<u>IED</u>		
Activities undertaken directly	70,298	64,430
Grant funding of activities	1,594	1,489
Support costs	83,044	82,757
Total	154,936	148,676

Benevolent Funds

Costs	<u>973</u>	<u>575</u>
	155,909	148,676
	311,384	300,792

Included in support costs are payments to the Independent Examiner of £3,000 (2017: £3,000).

THE INSTITUTION OF ENGINEERING DESIGNERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

7 Costs of generating donations and legacies

	2018 £	2017 £
Other costs comprise:		
Councillor expenses	4,127	3,046
Secretariat expenses	7,486	5,062
New members expenses	3,732	4,649
Branch expenses reimbursed	135	287
Marketing & promotions	286	758
Exhibitions costs	648	900
AGM/EGM expenses	3,894	4,115
(Increase)/decrease in stock	(327)	(1,731)
Support costs	135,494	135,030
	<u>155,475</u>	<u>152,116</u>

8 Activities undertaken directly

	2018 £	2017 £
Other costs relating to IED comprise:		
Journal publishing costs	66,414	59,668
University accreditation costs	3,884	4,762
	<u>70,298</u>	<u>64,430</u>

9 Grants payable

	2018 £	2017 £
IED	<u>1,594</u>	<u>1,489</u>

THE INSTITUTION OF ENGINEERING DESIGNERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

10 Support costs

	IED	Benevolent Fund	Total 2018	Total 2017
	£	£	£	£
Administration	87,156	-	87,156	94,998
Staff costs	129,052	-	129,052	121,219
Depreciation	2,330	-	2,330	1,570
	<u>218,538</u>	<u>-</u>	<u>218,538</u>	<u>217,787</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	74,531	601	1,803	32,457	10,819
Employer's National Insurance	4,259	34	103	1,855	618
Employer's pension contributions	1,222	10	30	532	177
Depreciation	1,445	12	35	629	210
Equipment hire	1,169	9	28	509	170
Property maintenance	10,993	89	266	4,787	1,596
Equipment maintenance	1,949	16	47	849	283
General expenses	202	2	5	88	29
Office refreshments	31	0	1	14	5
Subscriptions payable	924	7	22	402	134
Rates & water	1,532	13	37	667	222
Insurance	1,898	15	46	826	275
Light & heat	7,218	58	175	3,144	1,048
Printing & stationery	3,530	28	85	1,537	513
Postage	3,344	27	81	1,456	485
Telephone	1,748	14	42	761	253
Accountancy fees	1,296	10	31	565	188
Legal & professional fees	4,683	38	113	2,039	680
Bank charges	4,841	39	117	2,108	703
Irrecoverable VAT	1,938	16	47	844	281
Staff training	159	1	4	69	23
Project Courtleigh	2,363	19	57	1,029	343
Interest payable	469	4	11	204	68
Computer expenditure/IT support	3,749	30	91	1,632	544
Total	<u>135,494</u>	<u>1,093</u>	<u>3,278</u>	<u>59,005</u>	<u>19,668</u>

THE INSTITUTION OF ENGINEERING DESIGNERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

11 Support Costs - IED

Description	Total 2018 £	Total 2017 £
Wages & salaries	120,211	115,049
Employer's National Insurance	6,870	5,521
Employer's pension contributions	1,971	649
Depreciation	2,330	1,570
Equipment hire	1,886	1,924
Property maintenance	17,730	18,518
Equipment maintenance	3,144	1,435
General expenses	326	222
Office refreshments	50	271
Subscriptions payable	1,490	2,987
Rates & water	2,471	2,453
Insurance	3,061	3,124
Light & heat	11,643	8,102
Printing & stationery	5,694	3,198
Postage	5,394	3,618
Telephone	2,819	2,971
Accountancy fees	2,091	4,440
Legal & professional fees	7,553	11,650
Bank charges	7,808	5,925
Unrecoverable Input VAT	3,126	8,000
Staff training	257	419
Project Courtleigh	3,811	8,808
Interest	756	514
Computer expenditure/IT support	6,046	6,419
Total	218,538	217,787

12 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but were reimbursed a total of £4,127 for expenses (2017: were reimbursed £3,046). This included £2,486 (2017 £2,182) in relation to travel expenditure, £1,639 (2017 £476) for meetings and the remainder £nil (2017 £338) was for other expenditure.

Five trustees loaned a total of £ 75,000 to the charity during the prior year as short term working capital. Loan interest at 2.95% per month was payable on the loans. The loans have been fully repaid during 2018. 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 2018

13 Employees

Staff Costs

	2018 £	2017 £
Wages and salaries	120,211	115,049
Employer's National Insurance contributions	6,870	5,521
Pension costs	1,971	649
	<u>129,052</u>	<u>121,219</u>

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

The average monthly number of employees during the year was 7 (2017: 7).

14 Tangible fixed assets

	Land and buildings £	Computer Equipment £	Fixtures and Fittings £	Total £
Cost				
At 1 January 2018	518,498	11,616	6,655	536,769
Additions	<u>-</u>	<u>6,083</u>	<u>-</u>	<u>-</u>
At 31 December 2018	<u>518,498</u>	<u>17,699</u>	<u>6,655</u>	<u>542,852</u>
Depreciation				
At 1 January 2018	37,742	8,688	5,461	51,891
Charge for the year	<u>-</u>	<u>2,122</u>	<u>208</u>	<u>2,330</u>
At 31 December 2018	<u>37,742</u>	<u>10,810</u>	<u>5,669</u>	<u>54,221</u>
Net book value				
At 31 December 2018	<u>480,756</u>	<u>6,889</u>	<u>986</u>	<u>488,631</u>
At 31 December 2017	<u>480,756</u>	<u>2,928</u>	<u>1,194</u>	<u>484,878</u>

Included in land and buildings is freehold land of £165,000 (2017 £165,000).

15 Debtors

	2018 £	2017 £
Trade debtors	7,960	2,018
Other debtors	-	4,290
Prepayments	-	3,094
	<u>7,960</u>	<u>9,402</u>

THE INSTITUTION OF ENGINEERING DESIGNERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

16	Creditors: amounts falling due within one year	2018 £	2017 £
	Bank overdraft	44,425	-
	Trade creditors	5,921	1,920
	Other creditors	77,721	163,800
	Other taxes and social security costs	2,510	2,190
	Accruals	3,000	4,306
	Deferred income	-	10,832
		133,577	183,048

Deferred income in 2017 represented 2018 subscriptions invoiced in advance.

The bank overdraft is secured by a fixed charge over the freehold property.

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 2018	Net movement	Transfer
	£	£	£
IT Fund	-	6,000	(6,000)
Benevolent Fund	19,420	(973)	-
	19,420	(973)	(6,000)
	18,447		

IT Fund – £6,000 donation was received during the year towards the up-grade of the IT system of the charity. This has been transferred to unrestricted funds at the year-end as the system is for the full use of the charity.

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.

18 Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Fund balances at 31 December 2018 are represented by:			
Tangible fixed assets	488,631	-	488,631
Current assets	24,053	18,447	42,500
Creditors: amounts falling due within one year	(133,577)	-	(133,577)
	379,107	18,447	397,554

THE INSTITUTION OF ENGINEERING DESIGNERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Detailed Income and Expenditure account	2018 £	2017 £
Income		
Incoming resources from generated funds		
Donations and gifts	6,010	2,070
Gift Aid	20,510	21,074
Subscriptions & fee income from members	213,294	209,359
Sponsorship and commissions	17,847	6,880
Members joining fees	16,575	17,768
	<u>274,236</u>	<u>257,148</u>
Activities for generating funds		
Journal advertising and non-member subscriptions	1,429	1,107
Rental income, room hire charges & sundry income	33,434	28,416
	<u>34,863</u>	<u>29,523</u>
Investment income		
Bank and building society interest	46	86
Incoming resources from charitable activities		
Seminar and course income	23,827	1,288
	<u>332,972</u>	<u>288,045</u>
Total Income		
Expenditure		
Costs of generating funds		
Councillor expenses	4,127	3,046
Secretariat expenses	7,486	5,062
New members expenses	3,732	4,649
Branch expenses reimbursed	135	287
Marketing & promotions	286	758
Exhibitions costs	648	900
AGM/EGM expenses	3,894	4,115
(Increase)/decrease in stock	(327)	(1,731)
	<u>19,981</u>	<u>17,086</u>

THE INSTITUTION OF ENGINEERING DESIGNERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Detailed Income and Expenditure account

Charitable activities

Journal publishing costs	66,414	59,668
University accreditation	3,884	4,762
	<u>70,298</u>	<u>64,430</u>

Other resources expended (restricted)

Benevolent Fund	973	-
	<u>973</u>	<u>-</u>

Support costs

Wages & salaries	120,211	115,049
Employer's National Insurance	6,870	5,521
Employer's pension contributions	1,971	649
Fixtures & fitting depreciation	208	208
Computer equipment depreciation	2,122	1,362
Operating lease rentals	1,886	1,924
Property maintenance	17,730	18,518
Equipment maintenance	3,144	1,435
General expenses	326	222
Office refreshments	50	271
Subscriptions payable	1,490	2,987
Rates & water	2,471	2,453
Insurance	3,061	3,124
Light & heat	11,643	8,102
Printing & stationery	5,694	3,198
Postage	5,394	3,618
Telephone	2,819	2,971
Accountancy fees	2,091	4,440
Legal & professional fees	7,553	11,650
Bank charges	7,808	5,925
Unrecoverable Input VAT under Partial Exemption rules	3,126	8,000
Interest	756	514
Staff training	257	419
Computer expenses/IT support	6,046	6,419
Project Courtleigh	3,811	8,808
	<u>218,538</u>	<u>217,787</u>

THE INSTITUTION OF ENGINEERING DESIGNERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Detailed Income and Expenditure account		
Total expenditure	<u>311,384</u>	<u>300,792</u>
Total movement in Funds	<u>21,588</u>	<u>(12,747)</u>