

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019
FOR
INSTITUTE OF CAST METALS ENGINEERS**

INSTITUTE OF CAST METALS ENGINEERS

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

| | Page |
|--|-------------|
| Company Information | 1 |
| Report of the Trustees | 2 |
| Report of the Independent Auditors | 5 |
| Statement of Financial Activities | 7 |
| Statement of Financial Position | 8 |
| Statement of Changes in Equity | 9 |
| Notes to the Financial Statements | 10 |
| Trading and Profit and Loss Account | 20 |

INSTITUTE OF CAST METALS ENGINEERS
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2019

TRUSTEES:

Principal Officers

| | |
|----------------|--------------------------|
| Mr S Hill | National President |
| Mr R Bell | Senior Vice President |
| Mr L Jenkins | Junior Vice President |
| Mr T Stevenson | Honorary Treasurer |
| Mr T Ayre | Immediate past President |

Elected Members

Mrs L Postle
Mr I Shergold
Mr S Alexander
Mr A Sartorious
Mr M Sutton
Mr A Evans
Mr K Collins
Mr A Bennett
Mr J Townsend
Mr D Pritchard

REGISTERED OFFICE:

National Foundry Training Centre
ECMS
Tipton Road
Tipton
West Midlands
DY4 7UW

**REGISTERED COMPANY
NUMBER:**

RC000244

**REGISTERED
NUMBER:**

00250380

AUDITORS:

Fields
2nd Floor
Landchard House
Victoria Street
West Bromwich
West Midlands
B70 8ER

BANKERS:

Lloyds TSB
134 New Street
Birmingham
West Midlands
B2 4QZ

INVESTMENT MANAGERS:

Baillie Gifford & Co
Carlton Square
1 Greenside Row
Edinburgh
EH1 3AN

INSTITUTE OF CAST METALS ENGINEERS

REPORT OF THE TRUSTEES (INCORPORATING THE DIRECTORS REPORT) FOR THE YEAR ENDED 31ST DECEMBER 2019

The Trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report in accordance with the small company regime, Section 419(2) of the Companies Act 2006, with the financial statements of the charity for the year ended 31st December 2019. The trustees have adopted the provisions of Accounting and reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

The objectives of the charity are to:-

- Stimulate science and technology in the cast metals and allied industries.
- Promote learning and education in the cast metals and allied industries.
- Confer professional qualifications up to the level of Chartered Engineer through its Membership Committee.

The charity is registered with the Engineering Council to achieve these objectives. It also promotes lectures and seminars and assists with the technical content for technical journals.

The Institute of Cast Metal Engineers has continued to provide training and educational courses to improve skills associated with manufacturing and engineering. The regional branches continue to offer a wide range of technical and social activities, enabling members, and those from the wider industry, to meet and network with like-minded people. Gratitude is expressed to all those who continue to organise, host, sponsor and present at these meetings. The Foundry Trade Journal is a publication that is provided to members as part of their subscription.

Public benefit

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commissions guidance on public benefit, in particular, the trustees consider how specific projects will contribute to their objectives.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Institute of Cast Metal Engineers has continued to focus on preparing to be one of the lead providers of training for the foundry, casting and patternmaking industries whilst continuing to deliver the Diploma in Casting to groups of learners around the country. The education and training committee continues to review training requirements with a view to adding additional courses as required. Furthermore, the regional offices held various functions throughout the year enabling the Institute to bring its members together on a regular basis.

FINANCIAL REVIEW

Accounts and financial position

The attached financial statements comply with current statutory requirements, the charity's governing document, and the Statement of Recommended Practice, Accounting and Reporting by Charities issued in 2005. Opportunities to control costs and raise income through further training and educational activities and projects are being actively sought by staff in conjunction with the Finance and General Purposes committee. The council continue to investigate opportunities to work with other like-minded organisations to ensure that the Institute continues to meet its aims and objectives for the benefit of the castings industry.

Principal funding sources

The investment powers are unrestricted but are managed under the advice of an Investment Advisory Committee reporting to the Council. Baillie Gifford & Co. is employed as the investment adviser. Capital withdrawals are made to either acquire or to give additional support in times of financial uncertainty.

The Institute's principal source of funding remains training (£54K) and subscriptions (£78K) for the year to the 31st December 2019. There was also income of £17K from investment returns.

INSTITUTE OF CAST METALS ENGINEERS

REPORT OF THE TRUSTEES (INCORPORATING THE DIRECTORS REPORT) FOR THE YEAR ENDED 31ST DECEMBER 2019

Investment policy and objectives

The investment policy has been to continue to invest in any stocks and bonds considered by the investment managers to form a sound basis for stable long term growth and reasonable income. The overall purpose of the investment is to facilitate additional income resources for the Charity. The target for the split of the current holding remains at 10% invested in bonds and 90% invested in equities and at the year end this was 11% and 89% respectively.

Reserves policy

The Charity holds reserves to support the long term learning and educational needs of the sector and will continue to hold these reserves to allow it to generate income to meet these objectives.

At the year end the charity held unrestricted reserves totalling £753,107 (2018:£731,461). The trustees consider the level of reserves currently held to be of a sufficient level to support the charity moving forward.

FUTURE PLANS

The aim of the Institute is to continue to support and develop training and educational opportunities for those in the industry. The industry continues to have a particular need for training and education provision for new apprentices and graduates entering the industry.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is an Institute incorporated by Royal Charter, without share capital. It operates under the name of Institute of Cast Metals Engineers and constitutes a limited company which is limited by Guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

The Trustees are elected by Council, on one, two, or three year terms: these are the Branch Representatives and the Elected Members. Other trustees are the office bearers of the Institute, namely the President, the Senior Vice President, the Junior Vice President and the Honorary Treasurer. The trustees are elected to Council in accordance with the Institute Charter and By-Laws. It is the Council who is the Governing Body of the Institute.

Organisational structure

The Charity has two full-time and one part-time staff and over thirty volunteers who occupy positions at both regional and national level. A combination of regional officers and national officers constitutes the council who ratify all decisions at meetings held three times a year. The full time members of staff have day-to-day responsibility within strict operating rules and the Finance and general Purposes Committee, (F&GP), consisting of the national officers plus two elected members, meets on a regular basis to give support.

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. Risks, both operational and financial, are regularly reviewed by the Council, the F&GP and the Investment Advisory Committee. The major risks to which the charity are exposed, as identified by the trustees, have been reviewed and systems established to manage those risks

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are given on page 1.

INSTITUTE OF CAST METALS ENGINEERS

REPORT OF THE TRUSTEES (INCORPORATING THE DIRECTORS REPORT) FOR THE YEAR ENDED 31ST DECEMBER 2019

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The Trustees, who are also directors of The Institute of Cast Metals Engineers for the purposes of company law, are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102)
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each trustee has taken all the steps that ought to have taken as trustees in order to make aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Fields, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

Trustee – Steven Hill

Date: 4th May 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INSTITUTE OF CAST METALS ENGINEERS

Opinion

We have audited the financial statements of Institute of Cast Metals Engineers (the 'charitable company') for the year ended 31st December 2019 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information in the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INSTITUTE OF CAST METALS ENGINEERS

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on pages two to four, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in a Report of the Independent Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mrs Stella Louise Broomhall FCCA (Senior Statutory Auditor)
for and on behalf of Fields
2nd Floor
Landchard House
Victoria Street
West Bromwich
West Midlands
B70 8ER

Date: 28th September 2020

INSTITUTE OF CAST METALS ENGINEERS

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST DECEMBER 2019

| | Notes | Unrestricted fund £ | Restricted fund £ | 2019 Total funds £ | 2018 Total funds £ |
|--|-------|---------------------------|-------------------------|-----------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | |
| Donations | 4 | 900 | - | 900 | - |
| Charitable activities | | | | | |
| Core | 6 | 79,006 | - | 79,006 | 69,761 |
| Training Services | 6 | 54,009 | - | 54,009 | 121,279 |
| Grants | 6 | - | 31,008 | 31,008 | - |
| Other income | 6 | 10,970 | - | 10,970 | 8,711 |
| Investment income | 5 | <u>16,880</u> | <u>375</u> | <u>17,255</u> | <u>23,236</u> |
| Total Income | | <u>161,765</u> | <u>31,383</u> | <u>193,148</u> | <u>222,987</u> |
| EXPENDITURE ON | | | | | |
| Charitable activities | | | | | |
| Core | 7 | 201,839 | 34,123 | 235,962 | 293,105 |
| Training Services | 7 | <u>46,915</u> | <u>-</u> | <u>46,915</u> | <u>90,156</u> |
| Total expenditure | | <u>248,754</u> | <u>34,123</u> | <u>282,877</u> | <u>383,261</u> |
| Net gains/(losses) on investments | | <u>108,635</u> | <u>6,210</u> | <u>114,845</u> | <u>(49,126)</u> |
| NET INCOME/(EXPENDITURE) | | 21,646 | 3,470 | 25,116 | (209,400) |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | <u>731,461</u> | <u>29,018</u> | <u>760,479</u> | <u>969,879</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u><u>753,107</u></u> | <u><u>32,488</u></u> | <u><u>785,595</u></u> | <u><u>760,479</u></u> |

The notes form part of these financial statements

**INSTITUTE OF CAST METALS ENGINEERS
(REGISTERED NUMBER: 00250380)**

**STATEMENT OF FINANCIAL POSITION
31ST DECEMBER 2019**

| | Notes | Unrestricted fund £ | Restricted fund £ | 2019 Total funds £ | 2018 Total funds £ |
|--|-------|---------------------------|-------------------------|-----------------------------|-----------------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 9 | - | - | - | - |
| Tangible assets | 10 | 2,785 | 47 | 2,832 | 7,512 |
| Investments | 11 | <u>621,401</u> | <u>25,112</u> | <u>646,513</u> | <u>716,801</u> |
| | | <u>624,186</u> | <u>25,159</u> | <u>649,345</u> | <u>724,313</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 12 | 1,686 | 1,127 | 2,813 | 2,860 |
| Debtors | 13 | 151,956 | 8,569 | 160,525 | 83,387 |
| Cash at bank and in hand | 14 | <u>13,408</u> | <u>(2,367)</u> | <u>11,041</u> | <u>26,848</u> |
| | | <u>167,050</u> | <u>7,329</u> | <u>174,379</u> | <u>113,095</u> |
| CREDITORS | | | | | |
| Amounts falling due within one year | 15 | <u>(38,129)</u> | <u>-</u> | <u>(38,129)</u> | <u>(76,929)</u> |
| NET CURRENT ASSETS | | <u>128,921</u> | <u>7,329</u> | <u>136,250</u> | <u>36,166</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>753,107</u> | <u>32,488</u> | <u>785,595</u> | <u>760,479</u> |
| FUNDS | 16 | | | | |
| Unrestricted funds | | | | 753,107 | 731,461 |
| Restricted funds | | | | <u>32,488</u> | <u>29,018</u> |
| | | | | <u>785,595</u> | <u>760,479</u> |

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Charities SORP (FRS 102).

The financial statements were approved by the Board of Trustees on 4th May 2020 and were signed by:

Trustee – Steven Hill FICME – National President

Trustee – Trevor Stevenson FICME – Honorary Treasurer

INSTITUTE OF CAST METALS ENGINEERS

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2019**

| | Retained Earnings £ | CLLEFE fund £ | Prize & Medal fund £ | John Campbell award £ | Total equity £ |
|--------------------------------------|------------------------------------|------------------------------|---|--|-------------------------------|
| Balance at 1st January 2018 | 934,464 | - | 29,859 | 5,556 | 969,879 |
| Changes in equity | | | | | |
| Total comprehensive income | <u>(203,003)</u> | <u>-</u> | <u>(5,807)</u> | <u>(590)</u> | <u>(209,400)</u> |
| Balance at 31st December 2018 | <u>731,461</u> | <u>-</u> | <u>24,052</u> | <u>4,966</u> | <u>760,479</u> |
| Changes in equity | | | | | |
| Total comprehensive income | <u>21,646</u> | <u>-</u> | <u>2,390</u> | <u>1,080</u> | <u>25,116</u> |
| Balance at 31st December 2019 | <u><u>753,107</u></u> | <u><u>-</u></u> | <u><u>26,442</u></u> | <u><u>6,046</u></u> | <u><u>785,595</u></u> |

The notes form part of these financial statements

INSTITUTE OF CAST METALS ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

1. ACCOUNTING POLICIES

Statutory information

The Institute of Cast Metals Engineers is a private charity, limited by guarantee, registered in England and Wales. The charity's registered number and registered office can be found on the Company Information page.

Basis of preparing the financial statements

The charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)' and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets. The financial statements are prepared in pounds sterling which is the functional currency of the charity and rounded to the nearest pound.

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.

Incoming resources

All income including membership subscriptions is recognised in the Statement of financial Activities once the charity has entitlement to the funds, any performance conditions attached have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from grants is recognised on an accruals basis and are recognised in income in the period the related costs are incurred by the entity for which the grant is intended to compensate.

Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis.

Costs of charitable activities comprise all costs incurred in pursuit of the charitable objects of the charity.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity such as the cost of board meetings, statutory compliance and costs linked to the strategic management of the charity.

Financial instruments

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand.

Debtors and creditors with no stated interest rate and receivable and payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Intangible assets

Amortisation is charged on Publication Titles to the Statement of Financial Activities on a straight line basis over a period of 10 years which expired in 2013.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | | | |
|---------------------|-------------|-------------|-------------|
| Fixtures & fittings | 33% on cost | 20% on cost | 10% on cost |
|---------------------|-------------|-------------|-------------|

INSTITUTE OF CAST METALS ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2019

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Investments

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Value added tax

The charity is registered for VAT and is partially exempt. All income and expenditure is shown net of VAT where appropriate and disallowed input tax is included within the associated costs.

Going concern

The Institute of Cast Metals Engineers are able to settle all operating costs as they arise. Accordingly the trustees consider that it is appropriate for the Financial Statements to be prepared on the Going Concern basis.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate. The contributions paid are shown in note 2.

2. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 3 (2018 - 3).

STAFF COSTS

| | 2019 | 2018 |
|-----------------------|---------------|---------------|
| | £ | £ |
| Wages and salaries | 65,411 | 70,854 |
| Social security costs | 2,282 | 2,543 |
| Other pension costs | 5,887 | 6,376 |
| | <u>73,580</u> | <u>79,773</u> |

No employees received emoluments in excess of £60,000.

Employer pension contributions amounted to £5,887 (2018: £6,376), the outstanding balance at the year end is £646 (2018: £762).

TRUSTEES REMUNERATION

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

INSTITUTE OF CAST METALS ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31ST DECEMBER 2019**

3. NET MOVEMENT IN FUNDS

The net movement in funds is stated after charging:

| | 2019 | 2018 |
|-------------------------------|----------------------|----------------------|
| | £ | £ |
| Operating lease costs | 4,128 | 3,546 |
| Auditors remuneration: | | |
| In their capacity as auditors | 4,000 | 5,000 |
| Other financial services | <u>12,898</u> | <u>15,180</u> |

4. DONATIONS

| | 2019 | 2018 |
|-------------|-------------------|----------|
| | £ | £ |
| Sponsorship | <u>900</u> | <u>-</u> |

5. INVESTMENT INCOME

| | 2019 | 2018 |
|-------------------|----------------------|----------------------|
| | £ | £ |
| Quoted securities | 17,251 | 23,236 |
| Bank interest | <u>4</u> | <u>-</u> |
| | <u>17,255</u> | <u>23,236</u> |

6. INCOME FROM CHARITABLE ACTIVITIES

| | Activity | 2019 | 2018 |
|--------------------------|---------------------|-----------------------|-----------------------|
| | | £ | £ |
| Membership subscriptions | Core | 78,299 | 69,721 |
| Publications | Core | 707 | 40 |
| EIT grant | Core | 31,008 | - |
| Training services | Training activities | 54,009 | 121,279 |
| Miscellaneous income | Core | <u>10,970</u> | <u>8,711</u> |
| | | <u>174,993</u> | <u>199,751</u> |

7. CHARITABLE ACTIVITIES COSTS

| | Direct costs | Support costs see note 8 | Totals |
|---------------------|-----------------------|-----------------------------|-----------------------|
| | £ | £ | £ |
| Core | 225,987 | 9,975 | 235,962 |
| Training activities | <u>46,915</u> | <u>-</u> | <u>46,915</u> |
| | <u>272,902</u> | <u>9,975</u> | <u>282,877</u> |

INSTITUTE OF CAST METALS ENGINEERS

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2019**

8. SUPPORT COSTS

Support costs, included in the above, are as follows:

| | 2019 | 2018 |
|------------------|----------------------------|----------------------|
| | Core | Total |
| | £ | activities |
| Bank Charges | 2,074 | £ 1,156 |
| Governance costs | <u>7,901</u> | <u>19,999</u> |
| | <u><u>9,975</u></u> | <u><u>21,155</u></u> |

Included within governance costs is audit fees amounting to £4,000 (2018: £5,000).

9. INTANGIBLE FIXED ASSETS

| | Other intangible assets £ |
|---|--|
| COST | |
| At 1st January 2019 and 31st December 2019 | <u>73,808</u> |
| AMORTISATION | |
| At 1st January 2019 and 31st December 2019 | <u>73,808</u> |
| NET BOOK VALUE | |
| At 31st December 2019 | <u><u>-</u></u> |
| At 31st December 2018 | <u><u>-</u></u> |

INSTITUTE OF CAST METALS ENGINEERS

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2019**

10. TANGIBLE FIXED ASSETS

| | Fixtures and fittings £ |
|------------------------|----------------------------------|
| COST | |
| At 1st January 2019 | 62,892 |
| Disposals | <u>(1,951)</u> |
| At 31st December 2019 | <u>60,941</u> |
| DEPRECIATION | |
| At 1st January 2019 | 55,380 |
| Charge for year | 4,680 |
| Eliminated on disposal | <u>(1,951)</u> |
| At 31st December 2019 | <u>58,109</u> |
| NET BOOK VALUE | |
| At 31st December 2019 | <u>2,832</u> |
| At 31st December 2018 | <u>7,512</u> |

Included within tangible fixed assets are restricted assets with a carrying value of £47 (2018: £124)

11. FIXED ASSET INVESTMENTS

Investments were as follows:

| | 2019 £ | 2018 £ |
|-------------------------------|----------------|----------------|
| Uninvested cash | - | 50,000 |
| Prize & medal fund investment | 25,112 | 21,912 |
| BG fund B investments | <u>621,401</u> | <u>644,889</u> |
| | <u>646,513</u> | <u>716,801</u> |

INSTITUTE OF CAST METALS ENGINEERS

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2019**

11. FIXED ASSET INVESTMENTS - continued

Additional information as follows:

| | Listed investments £ |
|---------------------------|-------------------------------------|
| MARKET VALUE | |
| At 1st January 2019 | 644,889 |
| Additions | 16,877 |
| Disposals | (149,000) |
| Revaluation | <u>108,635</u> |
| | <u>621,401</u> |
| NET BOOK VALUE | |
| At 31st December 2019 | <u>621,401</u> |
| At 31st December 2018 | <u>644,889</u> |

There were no investment assets outside the UK.

Investments (neither listed or unlisted) were as follows:

| | 2019 £ | 2018 £ |
|---|-----------------------|----------------------|
| Managed unit trust fund | <u>25,112</u> | <u>21,912</u> |
| 12. STOCKS | | |
| | 2019 £ | 2018 £ |
| Stocks | <u>2,813</u> | <u>2,860</u> |
| 13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | | |
| | 2019 £ | 2018 £ |
| Trade debtors | 13,316 | 36,210 |
| Other debtors | 133,412 | 28,698 |
| Prepayments and accrued income | <u>13,797</u> | <u>18,479</u> |
| | <u>160,525</u> | <u>83,387</u> |

INSTITUTE OF CAST METALS ENGINEERS

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2019**

14. CASH AT BANK AND IN HAND

| | 2019 | 2018 |
|--------------------------|----------------------|----------------------|
| | £ | £ |
| Bank current account | 9,453 | 21,144 |
| Bank membership account | 263 | 3,859 |
| Coat of Arms | 165 | 165 |
| Currency floats | 161 | 161 |
| Paypal | 934 | 1,454 |
| Young foundrymen account | 57 | 57 |
| Petty cash | 8 | 8 |
| | <u>11,041</u> | <u>26,848</u> |

| | | | | 2019 | 2018 |
|-----------------|----------------------|-----------------------|---------------------------|----------------------|----------------------|
| | General fund | CLLEFE fund | The John Campbell fund | Total funds | Total funds |
| | £ | £ | £ | £ | £ |
| Cash in hand | 8 | | - | 8 | 8 |
| Current account | <u>13,400</u> | <u>(8,413)</u> | <u>6,046</u> | <u>11,033</u> | <u>26,840</u> |
| | <u>13,408</u> | <u>(8,413)</u> | <u>6,046</u> | <u>11,041</u> | <u>26,848</u> |

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2019 | 2018 |
|---------------------------------|----------------------|----------------------|
| | £ | £ |
| Trade creditors | 12,262 | 29,328 |
| Social security and other taxes | - | (18) |
| VAT | 8,736 | 9,578 |
| Other creditors | 3,603 | 5,386 |
| Accruals and deferred income | <u>13,528</u> | <u>32,655</u> |
| | <u>38,129</u> | <u>76,929</u> |

Included in accruals and deferred income is an amount of £128 (2018:£7,222) in respect of membership subscriptions received in advance and sale of publication rights in advance nil (2018: 7,500).

INSTITUTE OF CAST METALS ENGINEERS

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2019**

16. RESERVES

MOVEMENT IN FUNDS

| | At 1.1.2019 | Net movement in funds | At 31.12.2019 |
|---------------------------|----------------|--------------------------|----------------|
| Unrestricted funds | | | |
| General fund | 731,461 | 21,646 | 753,107 |
| Restricted funds | | | |
| The John Campbell Fund | 4,966 | 1,080 | 6,046 |
| Prize & Medal Fund | 24,052 | 2,390 | 26,442 |
| The CLLEFE Project | - | - | - |
| | 29,018 | 3,470 | 32,488 |
| TOTAL FUNDS | <u>760,479</u> | <u>25,116</u> | <u>785,595</u> |

Net movement in funds included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|-----------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 161,765 | (248,754) | 108,635 | 21,646 |
| Restricted funds | | | | |
| The John Campbell fund | 86 | (489) | 1,483 | 1,080 |
| Prize & Medal fund | 289 | (2,626) | 4,727 | 2,390 |
| The CLLEFE Project | <u>31,008</u> | <u>(31,008)</u> | - | - |
| | 31,383 | (34,123) | 6,210 | 3,470 |
| | <u>193,148</u> | <u>(282,877)</u> | <u>114,845</u> | <u>25,116</u> |

Comparatives for movement in funds

| | At 1.1.2018 | Net movement in funds | At 31.12.2018 |
|---------------------------|----------------|--------------------------|----------------|
| Unrestricted funds | | | |
| General fund | 934,464 | (203,003) | 731,461 |
| Restricted funds | | | |
| The John Campbell Fund | 5,556 | (590) | 4,966 |
| Prize & Medal Fund | <u>29,859</u> | <u>(5,807)</u> | <u>24,052</u> |
| | 35,415 | (6,397) | 29,018 |
| TOTAL FUNDS | <u>969,879</u> | <u>(209,400)</u> | <u>760,479</u> |

INSTITUTE OF CAST METALS ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2019

Net movement in funds included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|-----------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 222,643 | (377,836) | (47,810) | (203,003) |
| Restricted funds | | | | |
| The John Campbell fund | 72 | (329) | (333) | (590) |
| Prize & Medal fund | <u>272</u> | <u>(5,096)</u> | <u>(983)</u> | <u>(5,807)</u> |
| | 344 | (5,425) | (1,316) | (6,397) |
| | <u>222,987</u> | <u>(383,261)</u> | <u>(49,126)</u> | <u>(209,400)</u> |

Prize & medal Fund

This fund was set up to facilitate the awarding of prizes and medals to members on an annual basis. The fund provides the financing element of this project and ensures that sufficient resources are available to meet the annual demands of the award process.

The John Campbell Fund

This fund originates from a fellow of the institute who had significant links to the Aluminium sector. It is a specific fund set up to facilitate and finance the awarding of recognition within the Aluminium field.

CLLEFE – Concept for Life Long Education for Foundry Employees

The object of this project is to provide The European Foundry Industry access to well-educated personnel in order to maintain and develop its global competitiveness. This has commonly been seen as the biggest future challenge for the Foundry Industry and the demand for individual education programmes and new concepts for flexible learning, preferably based on short modules, validation and e-learning, has therefore increased. CLLEFE II meets these needs by developing E-cast as a future education platform.

17. RELATED PARTY DISCLOSURES

During the year membership subscription fees totalling £2,346 (2018: £2,971) which include free subscriptions to the value of £166 were received from the Trustees of the Charity. This was in accordance with the normal specific membership rates for each individual.

The charity also received £541 (2018:£883) which includes free places to the value of £199 (2018:£195) from the Trustees of the Charity from ticket sales relating to the awards and fellows lunch events held in the year.

Travel expenses totalling £454 were repaid to three trustees.

TCAST LTD

A company in which T Ayre, a Trustee of the charity, is a director and shareholder.

During the year an amount of £11,516 (2018:£9,175) was paid to the related party for a development project and related travel expenses.

Foundry Equipment and Supplies Association Ltd.

A company in which S Hill and Mrs L Postle, trustees of the charity, and A Turner spouse of Mrs L Postle, are directors.

During the year the charity paid membership fees of £700 (2018: £675) to the related party.

INSTITUTE OF CAST METALS ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2019

17. RELATED PARTY DISCLOSURES-continued

Foundry Trade Journal Ltd

A company in which Mrs L Postle, trustee of the charity, and her spouse A Turner, are directors and shareholders.

During the year the charity paid £54,964 (2018:£64,540) to Foundry Trade Journal Ltd. These monies were paid in relation to the production and distribution of the Foundry Trade Journal and advertising in the year book. This transaction was conducted on an arm's length basis and ratified by all trustees.

The rights in relation to the Foundry Trade Journal were sold to Foundry Trade Journal Ltd for £30,000 in 2014 which was receivable in four equal instalments of £7,500. During the previous year the charity received the two final instalments of £7,500 each of which one was treated as deferred income relating to the year ended 31st December 2019.

| | 2019 £ | 2018 £ |
|-----------------------------|--------------|---------------|
| Amount due to related party | <u>5,692</u> | <u>13,248</u> |

APOSTLES CASTING TECHNOLOGY LTD

A company in which A Turner, spouse of Mrs L Postle a trustee of the charity, is a director and shareholder.

During the year the charity paid nil (2018: £4,791) for training services provided by the related party. The charity received nil (2018:£2,390) for admin support provided to the related party.

WORLD FOUNDRY ORGANISATION LTD

A company in which A Turner is General Secretary and Mrs L Postle, a trustee of the charity, is Assistant Secretary.

During the year the charity paid £1,725 (2018:£1,725) for membership fees.

| | 2019 £ | 2018 £ |
|-------------------------------|------------|-----------|
| Amount due from related party | <u>237</u> | <u>-</u> |

Foundry Training Services Ltd

A company in which T Stevenson and J W Townsend, trustees of the charity, are directors.

During the year the Charity recharged overhead costs totalling £8,553 and paid £4,298 towards training costs to the related party. The Charity further advanced the related party £90,202 (2018:£24,247).

| | 2019 £ | 2018 £ |
|-------------------------------|----------------|---------------|
| Amount due from related party | <u>114,449</u> | <u>24,247</u> |

18. OPERATING LEASE COMMITMENTS

At 31st December 2019, the Charity was committed to total future minimum lease payments under non-cancellable operating leases follows:-

| | 2019 £ | 2018 £ |
|----------------------------|-----------|-----------|
| Within one year | 6,578 | 1,384 |
| Between two and five years | 19,735 | 5,419 |

INSTITUTE OF CAST METALS ENGINEERS

TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2019

| | 2019 £ | 2018 £ |
|--|-----------------|------------------|
| INCOME AND ENDOWMENTS | | |
| Donations and legacies | | |
| Sponsorship | <u>900</u> | <u>-</u> |
| Investment income | | |
| Quoted securities | 17,251 | 23,236 |
| Bank interest | <u>4</u> | <u>-</u> |
| | <u>17,255</u> | <u>23,236</u> |
| Charitable activities | | |
| Membership subscriptions | 78,299 | 69,721 |
| Publications | 707 | 40 |
| Grant | 31,008 | - |
| Training Services | 54,009 | 121,279 |
| Other income | <u>10,970</u> | <u>8,711</u> |
| | <u>174,993</u> | <u>199,751</u> |
| Total incoming resources | <u>193,148</u> | <u>222,987</u> |
| EXPENDITURE | | |
| Wages | 65,411 | 70,854 |
| Social security | 2,282 | 2,543 |
| Pensions | 5,887 | 6,376 |
| Telephone | 373 | 1,045 |
| Postage and stationery | 5,387 | 12,153 |
| Cost of publications | - | 143 |
| Professional and consultancy | 12,933 | 15,657 |
| Engineering council fees | 6,207 | 2,773 |
| Contributions to branches | 9,426 | 9,888 |
| Training Services | 46,915 | 90,156 |
| Establishment expenses | 16,745 | 19,056 |
| Other office expenses | 15,457 | 34,271 |
| Cleefe project | 11,386 | - |
| Institute awards | 6,553 | 5,177 |
| Exhibition and travel | 4,567 | 1,102 |
| Distribution of trade journal | 54,464 | 63,540 |
| Secretarial support costs | 11,729 | 30,000 |
| Depreciation | 4,680 | 4,872 |
| Profit on sale of intangibles | <u>(7,500)</u> | <u>(7,500)</u> |
| | <u>272,902</u> | <u>362,106</u> |
| SUPPORT COSTS | | |
| Finance | | |
| Bank charges | <u>2,074</u> | <u>1,156</u> |
| Governance cost | | |
| Accountancy fees | - | 3,500 |
| Auditors' remuneration | 4,000 | 5,000 |
| Council, committee and staff expenses | 5,116 | 11,499 |
| Bad debts | <u>(1,215)</u> | <u>-</u> |
| | <u>7,901</u> | <u>19,999</u> |
| Total resources expended | <u>282,877</u> | <u>383,261</u> |
| Net expenditure before gains and losses | (89,729) | (160,274) |
| Realised recognised gains and losses | | |
| Realised (losses)/gains on fixed asset investments | <u>114,845</u> | <u>(49,126)</u> |
| Net income (expenditure) | <u>25,116</u> | <u>(209,400)</u> |