



THE INSTITUTE OF GROCERY DISTRIBUTION

Annual Report and Accounts For the year ended 31st December 2019

Registered Number 105680

Charity Number 309939

The Institute of Grocery Distribution

Report and Accounts

For the year ended 31st December 2019

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The Institute of Grocery Distribution

Trustees' Report (including the Strategic Report)

For the year ended 31st December 2019

The trustees present their report (including the Strategic Report) together with the financial statements for the year ended 31st December 2019. The trustees have adopted the provisions of the Statement of Recommended Practice for Accounting and Reporting by Charities (SORP 2015). The report and the financial statements also comply with the requirements of the Companies Act 2006.

Objectives and activities

As a charity, we exist to upskill people working in or looking to join the food and consumer goods industry. We also manage initiatives driven by research and best practice relating to science, technology or economics in the food industry. Our charitable work is funded by the profits from our trading subsidiary, IGD Services Limited, together with its two overseas based subsidiaries. The three companies provide research and insight based commercial services to the food and consumer goods industry.

We enable companies across the food and consumer goods industry to work together collaboratively across four key areas of focus: people, health and wellness, sustainability and economics.

We seek to increase the public benefit we deliver every year by making a bigger impact on a larger number of people and companies.

Ensuring our work delivers against our objectives

When launching anything new, we check that it complies fully with the Memorandum and Articles of Association and we regularly review all activities throughout the year. In these reviews we remind ourselves what we set out to achieve, what we have learnt, the public benefit delivered so far and the opportunities to extend this.

In doing so, we refer to the Charity Commission's general guidance on public benefit. The trustees consider that the charity has complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission. The trustees regularly consider and discuss how our existing and planned activities contribute to IGD's charitable objectives and probe to ensure that resources are used efficiently and deliver a satisfactory return.

How we work

We are guided by a series of advisory groups, drawing expertise from our member companies and beyond, all under the oversight of our trustees. Full details of which can be found at www.igd.com/industryworkinggroups.

Our 2019 charitable achievements

Summary

Our people initiative helps develop people to feel more confident in order to encourage innovation and lifelong learning. This year alone we've delivered 31,000 free learning opportunities for food and consumer goods employees and also championed new research on digital capability and diversity.

On health and wellness, we bring people and organisations from the breadth of the food industry together to promote healthy, balanced diets. Our nutritionists and consumer experts create practical tools and resources for food businesses. For example, this year we launched a new guide to help businesses set portion sizes more consistently. We are also working with the food industry to make healthy and sustainable eating in the workplace the norm.

On sustainability, this year we celebrated the first anniversary of the Food Waste Reduction Roadmap, launched with WRAP in 2018 to help businesses target, measure and act on their food waste. More than 160 UK food businesses have already committed to the roadmap. There is still a great deal of work to do, but the progress to date has been significant.

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Trustees' Report (including the Strategic Report) (continued)

For the year ended 31st December 2019

Summary (continued)

Our last area of charitable focus is economics. To date this work has been dominated by Brexit, where we aim to help protect consumers, creating an information flow between government and industry and offering a range of free resources to help companies prepare. There will be life beyond Brexit, and we also remain focused on how to drive productivity in a post-Brexit world.

None of this excellent work would be possible without the expertise and support of our industry advisory groups, member companies, volunteers, customers and colleagues.

People

We delivered 31,000 free learning opportunities for food and consumer goods employees, and 15,000 school students took part in our employability programmes.

Our on-demand learning hub provides free videos, webinars and other online resources that industry colleagues can access at any time. More than 1,600 people have listened to our popular lunchtime webinars and we also delivered 22 free learning events up and down the country on topics such as resilience, leadership and productivity. 89% of people involved said our learning events helped them to develop their skills.

Sponsored by our Supply Chain Leaders' Forum, 310 people benefited from our unique talent programmes, designed to help supply chain professionals take the next step in their careers. Meanwhile, our Fast Track programme supports people who have just joined the industry. It has continued to expand significantly, with more than 1,000 people from 170 companies registered this year. The Fast Track experience includes a series of blended learning modules such as events, online videos, webinars and assignments.

We deliver workshops in secondary schools nationwide, introducing students to industry professionals to learn about employability skills and hear about the diverse range of careers available in the food and consumer goods industry. This schools' employability programme helped 15,000 students in 2019, with the support of volunteers from 162 companies. Altogether this accounted for over 4,500 volunteer hours and the programme reached more than 500 schools. 89% of students said they felt better prepared for the world of work after attending one of our workshops.

Following a successful pilot last year, we have rolled out specific workshops for Year 12 science and maths students to discover the STEM careers available in the food and consumer goods industry. We have also expanded the reach of our digital resources for educators and employers to enable a greater number of schools and students to benefit from quality interactions with the world of work.

Recognising the skills shortages faced by companies, we've worked on two exciting research projects with our HR Leaders' Forum this year. The first was a free report on Building Digital Capability, designed to help companies respond to digital disruption and develop digital skills. The second, Diversity in Food and Grocery, was launched in partnership with executive search firm MBS and PwC, to provide tangible diversity metrics and enable companies to benchmark their performance and learn. We brought these two topics to life through free events for industry leaders, to encourage best practice sharing and inspire action. Both reports can be accessed for free on our website.

Looking forward our goal is for the food and consumers goods industry to continue to benefit from a striving workforce, well equipped to face the challenges and opportunities of the future. We will do this by continuing to develop our learning offer and using technology to help even more people to develop their skills. In addition, our schools' employability programme will continue to help prepare the future workforce develop the skills they need to succeed in the workplace.

Health & Wellness

Reducing portion size is one tactic that food and drink businesses should consider to meet national public health targets and reduce calorie intake. Portion size reduction has been identified as one of the most effective interventions to help consumers reduce their calories. Working with a consumer research agency and a group of industry experts, we've launched a new decision-making guide to help companies set portion sizes more consistently. This was supported by

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Trustees' Report (including the Strategic Report) (continued)

For the year ended 31st December 2019

Health & Wellness (continued)

new consumer research and updated guidance on communicating portion size to consumers. The guide has been downloaded by more than 150 organisations so far.

We continue to help and encourage more companies to reformulate their products to be healthier by sharing free tools and insights. Our online hub of case studies and practical resources had a complete revamp this year and has had over 13,000 visits and nearly 5,000 people subscribe to our monthly newsletter of free articles and insights. We've introduced free lunchtime webinars, on topics such as fibre and reformulation, which have been viewed more than 500 times. We've also been proactive in sharing our consumer insight on attitudes to health and diets by contributing to 16 industry events and briefings with government departments.

Since 2016 we have worked with the Behaviour and Health Research Unit at the University of Cambridge and a group of 14 companies to test how to encourage people to make healthier food choices at work. This year, we have focused on sharing case studies from some 70 workplace restaurants that have used the learnings from our research to improve their catering offer. Working with our group of industry experts, we are aiming to launch a new and exciting campaign in early 2020 to create more momentum behind this initiative.

Our top priority for 2020 is to encourage even more stakeholders to use our resources and adopt our best practice on healthy eating. Our aim is to mobilise more employers to adopt these simple changes, which we have shown can make a big difference to people's diets in order to make healthy eating in the workplace the norm.

Sustainability

In a world first, IGD and WRAP launched the Food Waste Reduction Roadmap in September 2018 to help food businesses measure waste more consistently and give themselves a target to reduce it. One year on, more than 160 UK food businesses have already committed to target, measure and act on food waste, representing more than half of the UK food industry by turnover. The 121 businesses now reporting on their waste have a combined turnover of more than £220bn and generate over 1.1 million tonnes of food waste in their own operations. There is still a great deal of work to do, but the progress to date has been significant.

Globally, the food system is the biggest contributor of greenhouse gas emissions that drive climate change. In a rich country such as the UK, the food we eat and the food we waste is a significant contributor to our overall carbon footprint. Shifting consumption patterns is therefore a big prize, but given the gap between consumers' intent and action, we know this is very hard to do. Working with our Technical Leaders' Forum, we have initiated a new project with a research agency, specialising in behaviour economics, to understand what it will take to transition consumers towards healthier and more sustainable food consumption. In doing so, we hope to identify solutions for different consumer groups. We will publish our findings in early 2020.

Looking forward we will continue to work with WRAP, engaging more businesses to be part of the Food Waste Reduction Roadmap. We will publish our research on healthy and sustainable food consumption and mobilise food businesses to act upon the findings. Building on this work, we will also work with our industry groups to identify how we can best leverage industry collaboration to reduce the environmental footprint of our food system as we transition towards a net zero economy.

Economics Analysis

Our free advice and research on Brexit has included a regular tracker of shopper attitudes, member surveys, industry expert group discussions and analysis of government advice. This has been converted into a range of free outputs for companies including newsletters, webinars and conference presentations, plus a selection of articles on our website covering trade, customs and workforce planning. We have also played a key role in creating the Brexit Food Hub, a FAQ website co-managed by IGD and 27 other key trade organisations. 4,500 people have visited our free resources on Brexit and 1,000 people attended our Brexit webinars.

In September 2019, food and consumer goods sector CEOs gathered in London to attend an IGD Leaders' Forum. We explored productivity, one of the fundamentals for economic success after Brexit. The theme of the event was revitalising productivity through people and technology, and the discussion with our leaders and expert panel covered a

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Trustees' Report (including the Strategic Report) (continued)

For the year ended 31st December 2019

Economics Analysis (continued)

wide range of relevant topics. This included UK management culture, investment in technology and training and diversity and inclusion. A free summary of the event is available to all via our website.

Brexit is a complex challenge which requires teamwork across many organisations. Throughout 2019, we have continued to participate in a variety of forums bringing together industry bodies, government departments and other experts to share intelligence. We have also held regular conference calls with our working group members.

During 2020 the UK and EU will negotiate the terms of their future relationship. In addition, the UK will seek new relationships with other countries. We will continue to develop research, participate in external discussion and provide advice for companies. In the event of supply chain turbulence, in conjunction with other organisations, we will apply extra resources to deliver a real-time intelligence gathering and advice service, always putting the consumer at the heart of our thinking.

Financial review

The source of funding for our charitable activities is profit from our wholly owned trading subsidiary, IGD Services Ltd together with its two overseas subsidiaries. Our trading subsidiaries again had a successful year, delivering income of £17.1m (2018: £17.1m) despite holding two fewer events. Training and Research income of £13.9m showed a 1% decrease from £14m in 2018. We have continued to improve the breadth and depth of our research across all global markets and have, as a result, seen particularly strong growth in demand for our research from our international customers. Our membership income also performed strongly, growing 5% to £3.2m (2018: £3.1m).

The operating profit of the trading subsidiaries was £4.4m (2018: £4.4m) after related expenditure of £12.7m (2018: £12.7m) to raise funds of £17.1m (2018: £17.1m)). This contribution enabled us to increase our expenditure on charitable activities to £3.9m (2018: £3.6m) and also allowed us to strengthen the Charity's reserves position (see below).

The net surplus for the year of £0.6m (2018: £0.8m) before tax and IGD's overall financial health will ensure that further investment can be made in IGD's charitable programmes and in capital investment to underpin IGD's long-term funding sources.

Group reserves

The trustees have set a reserves policy which requires that reserves be maintained at a level which provides financial stability and ensures that IGD's charitable activities could continue during a period of unforeseen difficulty and that a proportion of reserves be maintained in a readily realisable form ("free reserves"). The trustees consider free reserves to be the amount of reserves that are easily converted into cash should the need arise; they exclude unrestricted funds of £2.6m tied up in fixed assets.

The trustees assess the reserves policy on an annual basis and have determined that IGD should review the level of reserves in conjunction with IGD's business plan and its requirement for investment in the future, considering the risks associated with its income stream. As a guide the level of free reserves should be within the range of 3 to 6 months of planned expenditure, and 1 to 2 years of the level of the expected annual gift aid payment from its trading subsidiary, recognising that this is the only source of significant income.

At 31st December 2019, free reserves (total non-restricted reserves less fixed assets) were £7.9m (2018: £7.0m), which equates to 5 months of planned expenditure and 1.9 times the 2019 gift aid payment which is consistent with the policy approved by the Board of Trustees. The Board considers this to be an appropriate level of cover.

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Trustees' Report (including the Strategic Report) (continued)

For the year ended 31st December 2019

Principal risks and uncertainties

The risks the charity faces are reviewed as part of our annual business planning cycle. Risks are prioritised by reviewing the potential impact, together with the likelihood of them occurring. Mitigating actions are reviewed with owners assigned to those actions. The risk register is reviewed on a regular basis and updated as appropriate and the trustees are provided with updates on major risks by exception at regular meetings.

After taking into account the mitigating controls in place, the following risks have been identified as the major risks which could impact IGD:

- Lack of clear purpose could result in IGD losing its relevance and the support of the industry.
- Loss of funding from IGD's trading subsidiary.
- Damage to IGD's standing and reputation.
- IT downtime, or breach of security including a loss of personal data.
- Economic and geopolitical uncertainty and in particular the uncertainty created by the UK's decision to leave the EU.
- An IGD event, or IGD's content being used to facilitate a breach of competition law.

The key action to mitigate external risks is constant monitoring. The annual business planning cycle reviews how the external environment is changing, and these changes are considered in our decision-making and investment planning process. We use our advisory groups to stay close to the industry and, when launching new activities, we check that the activities fully comply with the Memorandum of Articles and we fully review the effectiveness of our programmes to ensure we are investing resources appropriately.

The business planning cycle reviews every element of our trading activities to ensure that they are still relevant and appropriate for the needs of our customers. Financial performance is reviewed on a weekly basis and a revised forecast for the financial year is completed quarterly so that mitigating actions can be taken if performance is off-plan.

Procedures have been set to minimise the risk to our standing and reputation. This includes ensuring staff are appropriately inducted and trained. Policies, including IT security, crises management and competition law, are in place and contingency plans are in place to minimise the impact in the unlikely event an incident occurs.

COVID-19

Since the year end, the COVID-19 global pandemic has impacted the world, introducing operational and financial risk to all entities. IGD has been able to work as a liaison between government and industry, helping the flow of information, providing advice and support in order to ensure that food and consumer goods continue to be available to the public. We have also worked on initiatives to ensure that food is reaching the most vulnerable in our society. Operationally, we have been able to support all our colleagues in enabling them to work from home and our technology has allowed this to operate seamlessly. Financially, IGD has strong reserves and cash levels. Within the trading subsidiaries, steps have quickly been taken to minimise financial risk. Face to face offerings have been postponed, cancelled or moved to virtual online offerings in order to reduce costs while still being able to serve our customer base. Although we initially focused on helping our stakeholders to navigate the initial crises, throughout April we adapted our content to help our stakeholders to start planning for the future and we have experienced record traffic levels to our websites. Forecasts with varying scenarios have been undertaken and we are confident that we can manage any short-term financial risks (see page 14). In the longer term, we are looking at ways we can ensure our income base is sustainable should face to face gatherings and travel restrictions continue. A large proportion of our offering is already online based which puts us in a strong position and we are confident that the insight and training services we provide will continue to be in demand.

Subsidiary companies

IGD Services Limited is a wholly owned trading subsidiary company of IGD. The aim of this company is to provide sources of funding for our charitable activities.

IGD Services Limited has three wholly owned subsidiary companies. IGD Services (Canada) Inc, IGD Services (Singapore) Pte. Ltd and IGD Trading Limited (incorporated in 2019). All three share the aim of providing funding our charitable activities. IGD Trading Limited was incorporated as a company limited by guarantee in the UK in July 2019 and has not traded.

The companies provide research and insight based commercial services to the food and consumer goods industry:

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Trustees' Report (including the Strategic Report) (continued)

For the year ended 31st December 2019

Subsidiary companies (continued)

- Our Online Insight Services provide international news, research and forward thinking so that our customers can get a deeper understanding of the food and consumer goods industry.
- Our events portfolio allows attendees to gain a deeper understanding of themes impacting the industry.
- Via IGD Solutions our customers can gain access to our extensive expertise to get the specific business solutions or training they require.

The major developments in 2019 included the launch of a new event, IGD Live, a two day event focused around the big themes impacting the industry. In addition, the decision was taken to merge IGD Asia into Retail Analysis and to reposition Retail Analysis so it is the place to go to understand global innovations and trends.

People at IGD

People at IGD are pivotal in all we do. We rely on their knowledge, skills, intellectual rigour and passion for the food and grocery industry. Through our policies, practices and remuneration we aim to be a fair employer.

Everyone at IGD can pursue stretching goals and develop rewarding careers. In such a competitive and fast-changing world, we continually invest in our people.

In 2019 we changed the organisational structure of our commercial departments to reflect our products which included the integration of our Singaporean team.

We delivered a series of Agile workshops to understand the methodology and how we can develop more agile ways of working. Linked to this we redesigned our performance management process by removing the interim and annual review and replacing them with continuous conversations with a quarterly focus on objectives. This was launched at the end of the year ready for objective setting for 2020.

Our fifth annual Your Say staff survey achieved a response rate of 93% (91% LY) and an engagement index of 70% which was marginally down on 2018 but 4% above the external benchmark. Within the results we saw a 6% increase in the wellbeing score. The Your Say Forum continues to provide an effective way for staff to voice their opinions and has been instrumental in understanding what is important to the team in terms of their wellbeing and engagement with IGD.

Environmental responsibility

The biggest positive impact we make is via our charitable programmes which include working with the food and grocery on sustainability and waste. However, we are also conscious of our own activities and impact on the environment. We continue to work to limit our carbon emissions through our company car policies and by working smarter to reduce our business travel.

Structure, governance and management

IGD is a registered charity (registration number 309939) and is constituted as a company registered in England and limited by guarantee (registration number 105680). Our objects and powers are set out in our Memorandum and Articles of Association.

The Board of Trustees is responsible for governing the charity. The trustees retire after up to seven years' service.

On September 13th 2019, after consultation with its members and the Charity Commission, IGD held a general meeting which approved key changes to IGD's articles and board constitution. These changes were intended to improve the governance, effectiveness, accountability, efficiency and sustainability of the Charity in accordance with the Charity Governance Code, the Companies Act 2006 and best practice models from similarly structured organisations. In summary the changes were as follows:

- The Board of Trustees became the 'legal' members of the charity in order to create a "flat" governance structure.
- The number of independent Board members was increased to enable any potential or perceived conflicts of interest to be managed properly and effectively. By independent, it is meant individuals who did not sit as both a Trustee of IGD and a Director of IGD Services Limited. Each Board now has a minimum of eight Trustees or Directors, rather than ten and at least four of these are independent.

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Trustees' Report (including the Strategic Report) (continued)

For the year ended 31st December 2019

Structure, governance and management (continued)

- The charitable objects, or 'purposes' of IGD were not changed, but the definition of 'food industry' was moved so that it now applies to both purposes (ie the promotion of education and training and the promotion and advancement of science, technology and economics) rather than only to the first of these.

The objects were reviewed as part of the governance analysis and it was felt that they were still effective and sufficient for the activities of IGD, including with regard to new areas of consideration such as food packaging.

IGD is managed by a senior leadership team and the Chief Executive Officer reports to the trustees. The members of the senior leadership team are listed on page 30.

The Nomination Committee considers applications for trusteeship and makes recommendations to the Board of Trustees in the light of specific criteria and the needs created by retirements. Trustee appointments are based on the need for the Board to have the skills and experience from across the supply chain, and providing the appropriate oversight and scrutiny, governance and leadership to IGD in pursuit of its strategies to fulfil its charitable purpose.

All trustees undertake an induction programme to ensure they understand the activities of the charity and their role as a trustee. We have an online document store providing trustees with instant access to all relevant resources including policies, minutes and governing documents, and Trustee training is completed regularly. Trustees are also appraised annually.

The Board of Trustees have adopted a formal schedule of matters reserved for the Board and this is reviewed regularly. In February 2019 an Audit Committee, which is a Committee of the Board of Trustees, was established to provide oversight of financial reporting, risk and financial control matters.

The Remuneration Committee, which is a Committee of the Board of Trustees, is responsible for overseeing the remuneration for the senior leadership team at IGD and for recommending the level of remuneration for the Chief Executive to the Board for approval. The Board of Trustees also has a Succession Committee which considers succession planning for the Chief Executive Officer.

Trustees consider the Charity Governance Code and use it as a tool for developing best practice to ensure that decisions are grounded in good governance.

IGD rewards appropriately to attract and retain high calibre individuals who have the potential to grow and develop. We also recognise and reward high performance so that our standards and values are never compromised. This requires a flexible approach to position our packages competitively against a mix of comparators, but primarily against the industry we represent and recruit from.

All packages are benchmarked annually to provide assurance that reward packages are fair and set at the level appropriate for the responsibility of each role. Salaries are determined on appointment depending on the relevant external market for the skills and experience required and are reviewed each year considering the external market (including general pay trends), IGD performance and affordability. All pay and bonus proposals for the Chief Executive and the senior leadership team are approved by the Remuneration Committee.

Fundraising Statement

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake any fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes." Such amounts receivable would be presented in our accounts as "voluntary income" should we receive any and would include legacies and grants. The charity is not bound by any undertaking to be bound by any regulatory scheme and the charity does not consider it necessary to comply with any voluntary code of practice as it does not undertake fundraising from the general public.

Going Concern

In assessing the impact of COVID-19 on IGD, the trustees have considered all the matters described in the Trustees' Report, including the group's operations, the impact on trading within the subsidiary companies and our charitable activities. In particular, in order to support the trustees' assessment of the sustainability of the group's activities,

The Institute of Grocery Distribution

Trustees' Report (including the Strategic Report) (continued)

For the year ended 31st December 2019

Going concern (continued)

management has prepared monthly cash-flow forecasts based on different scenarios arising from the impact of COVID-19. As at the date of signing, the trustees are confident that the group will be able to maintain liquidity for a period of at least one year from that date and will therefore be able to continue to trade as a going concern.

Statement of trustees' responsibilities

The names of the trustees who have acted in the year are given on page 29. The trustees are responsible for preparing the trustees' annual report, including the strategic report, and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the group and the parent charity and of the incoming resources and application of resources, including the net income or expenditure, of the group for the year. In preparing those 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;
- make judgments 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group and the parent charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the trustees is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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Trustees' Report (including the Strategic Report) (continued)

For the year ended 31st December 2019

Legal and Administrative Information

List of Advisors to IGD

Auditors:	BDO LLP Two Snowhill Birmingham B4 6GA
Bankers:	HSBC 60 Queen Victoria Street London EC4N 4TR The Co-operative Bank 3-7 Market Street, Watford. WD18 0PE CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent. ME19 4JQ Lloyds Bank Plc - Treasury Faryners House 25 Monument Street London EC3R 8BQ
Solicitors:	Stone King Boundary House 91 Charterhouse Street London EC1M 6HR Slaughter & May 1 Bunhill Row London. EC1Y 8YY
Pension Scheme Advisors:	One Employee Benefits Sunfield Business Park New Mill Road Finchampstead RG40 4QT
Principal Office Address:	IGD Grange Lane Letchmore Heath Watford WD25 8GD
Company registration number:	105680
Charity registration number:	309939

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Trustees' Report (including the Strategic Report) (continued)

For the year ended 31st December 2019

Directors' report

The Trustees' Report incorporates information required in the Directors' Report for the company under the Companies Act 2006.

Auditors

A resolution for the reappointment of BDO LLP will be proposed at the forthcoming Annual General Meeting.

Trustees Report (including the Strategic Report) approved on behalf of the Board of Trustees:



Jill Ross
Chairman
7th July 2020

7/7/20

The Institute of Grocery Distribution

Group Statement of Financial Activities (Incorporating an income and expenditure account) For the year ended 31st December 2019

	Notes	Total (General Funds)	Total
		2019	2018
		£	£
<u>Income and endowments from:</u>			
Charitable activities	6	-	8,155
Trading activities	6	17,139,351	17,065,700
Investments	4	60,241	45,719
TOTAL		17,199,592	17,119,574
<u>Expenditure on:</u>			
Raising funds	7a	(12,724,398)	(12,681,294)
Charitable activities	7b	(3,892,333)	(3,642,421)
TOTAL		(16,616,731)	(16,323,715)
Net income/(expenditure)		582,861	795,859
Taxation	5	(23,923)	(5,041)
Gains on revaluation of overseas subsidiaries		24,727	4,434
Net movement in funds	9	583,665	795,252
Reconciliation of funds:			
Total funds brought forward		9,909,113	9,113,861
Total funds carried forward	9c	10,492,778	9,909,113

The notes on pages 14 to 26 form part of these accounts.

All the above results are derived from continuing activities. There are no other recognised gains or losses other than those stated above.

The Institute of Grocery Distribution

Statement of Financial Position

31st December 2019

Company Number 105680

		GROUP		COMPANY	
	Notes	2019	2018	2019	2018
		£	£	£	£
FIXED ASSETS					
Intangible assets	10	176,694	368,018	-	-
Tangible assets	10	2,450,766	2,571,313	2,032,585	2,027,259
Investments	11	-	-	300,000	300,000
		<u>2,627,460</u>	<u>2,939,331</u>	<u>2,332,585</u>	<u>2,327,259</u>
CURRENT ASSETS					
Debtors	12	3,059,456	3,862,651	7,840,522	8,220,416
Short-term bank deposits		4,058,208	4,026,000	-	-
Cash at bank and in hand		<u>8,458,224</u>	<u>7,160,849</u>	<u>1,927,284</u>	<u>1,418,092</u>
		15,575,888	15,049,500	9,767,806	9,638,508
Creditors: Amounts falling due within one year	13a	<u>(7,699,320)</u>	<u>(8,031,890)</u>	<u>(1,302,351)</u>	<u>(1,365,757)</u>
Net current assets		<u>7,876,568</u>	<u>7,017,610</u>	<u>8,465,455</u>	<u>8,272,751</u>
Total assets less current liabilities		10,504,028	9,956,941	10,798,040	10,600,010
Creditors: Amounts falling due after more than one year	13b	<u>(11,250)</u>	<u>(47,828)</u>	<u>-</u>	<u>-</u>
Net assets		<u><u>10,492,778</u></u>	<u><u>9,909,113</u></u>	<u><u>10,798,040</u></u>	<u><u>10,600,010</u></u>
The funds of the charity:					
Restricted funds	9a	-	-	-	-
Unrestricted funds	9b	9,114,000	8,510,042	9,419,262	9,200,939
Revaluation reserve	9b	1,378,778	1,399,071	1,378,778	1,399,071
Total charity funds		<u><u>10,492,778</u></u>	<u><u>9,909,113</u></u>	<u><u>10,798,040</u></u>	<u><u>10,600,010</u></u>

The Statement of Financial Activities for the year ended 31 December 2019 for the parent charitable company only was a surplus of £198,030 (2018: £2,098,312).

Approved and authorised for issue by the Board of Trustees on 7 July 2020 and signed on its behalf by:



David O'Flynn – Trustee and Chair of Audit Committee

The notes on pages 14 to 26 form part of these accounts.

The Institute of Grocery Distribution

Group Statement of Cash Flows For the year ended 31st December 2019

	Notes	2019 £	2018 £
Net cash generated from operating activities	14	1,462,030	1,780,136
Cash flows from investing activities:			
Interest received		60,241	45,719
Purchase of intangible fixed assets		(1,375)	-
Purchase of tangible fixed assets		(191,313)	(303,223)
Proceeds from the sale of tangible fixed assets		-	-
Net cash from investing activities		(132,447)	(257,504)
Cash flows from financing activities			
Transfers to short-term bank deposits		(32,208)	(26,000)
Net cash used in financing activities		(32,208)	(26,000)
Change in cash and cash equivalents	16	<u>1,297,375</u>	<u>1,496,632</u>
Cash and cash equivalents at the beginning of the year		<u>7,160,849</u>	<u>5,664,217</u>
Cash and cash equivalents at the end of the year		<u>8,458,224</u>	<u>7,160,849</u>

The notes on pages 14 to 26 form part of these accounts.

IGD has taken advantage of the exemption under FRS102 not to prepare a statement of cash flows for the parent company.

The Institute of Grocery Distribution

Notes to the accounts (continued)

For the year ended 31st December 2019

1. Constitution

IGD is a company limited by guarantee and not having a share capital. In the event of a winding up, the members (who are the trustees) each have a maximum liability of twenty-five pence.

2. Accounting Policies

Basis of Accounts

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) (effective 1 January 2015) – Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

IGD meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Since the year end, an outbreak of a novel coronavirus, now classified as COVID-19, was detected in China's Hubei province. During the following months, COVID-19 has spread steadily throughout the World and on 11 March 2020, The World Health Organisation ("WHO") declared the outbreak a global pandemic. In the current business climate, the Trustees acknowledge the ongoing COVID-19 pandemic and the economic uncertainty this creates.

Actions have included a reforecast of the financial position and cash flows to December 2021 across the group, with scenarios covering low, medium and high assumptions, as well as extreme scenario testing to reverse stress test liquidity. All three scenarios consider the effect on income of activities being reduced due to limitations around face to face meetings and travel and also the effect of any likely economic downturn as a result of the pandemic.

The medium case scenario assumes that Online Insight Services revenue continues at similar levels to now, but activities which rely on face-to-face interaction continue to be impacted throughout 2020 and 2021. The way these activities are delivered has evolved and two virtual events are planned for the second half of 2020, with more expected in 2021. The low case assumes that the Online Insight Services revenue will also be impacted and that minimal face to face activities occur in 2021, whereas the high case assumes that business activity, including business travel, recovers more quickly. In the low case revenues in 2021 will be 15% less than in the medium case, and in the high case 6% higher.

Associated cost savings have been factored in and in all three scenarios, group cash is expected to remain over £11m with free reserves at a minimum of 6 months of expenditure in line with our reserves policy. We have also evolved how we are delivering our charitable programmes with more focus on virtual delivery. The level of charitable spend can flex in line with our income generation, but even in the low case, we are confident that the level of investment in 2021 can be maintained at a level similar to the actual level of investment made in 2019. In the medium and high cases, the level of investment will increase.

The extreme scenario testing also demonstrated that because of the level of cash reserves, IGD could survive for a period in excess of 12 months even in a hypothetical scenario where it was unable to generate income from its trading activities.

Based on the reforecasts and the available liquid resource, the Trustees believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the charity's ability to continue as a going concern for the foreseeable future, being a period of at least 12 months after the date on which the report and Financial Statements are signed. The Trustees, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

Basis of Consolidation

The consolidated financial statements have been prepared, using the equity method, for IGD and its subsidiary IGD Services Limited together with its subsidiaries, IGD Services (Canada) Inc. and IGD Services (Singapore) Pte. Ltd. The entity has taken exemption from presenting its unconsolidated profit and loss account under section 408 of Companies Act 2006.

Income

Income is the amount receivable for services supplied and from subscriptions for membership, excluding value added tax. Where income is received relating to future events (such as a conference or workshop) it is deferred and treated as a creditor until the event has occurred. Where income is received relating to a fixed period (eg a subscription to one of our online services or membership) the amount is allocated across the length of the subscription on a monthly basis and any portion relating to a future period is deferred and treated as a creditor.

The Institute of Grocery Distribution

Notes to the accounts (continued)

For the year ended 31st December 2019

2. Accounting Policies (continued)

Grant income is recognised on a receivable basis in respect of grant allocations made for the accounting period.

Donations received and fund-raising efforts are shown as income in the year in which they are receivable.

Expenditure

Expenditure is allocated between costs of raising funds and costs of charitable activities according to the actual spend for each category.

Expenditure on charitable activities are then further allocated between categories within charitable expenditure on the basis of their function within the Charity. Any such costs where it is not possible to allocate in this way are allocated across the activities in the same proportion as those which are directly allocated. Where costs are apportioned between these headings a consistent basis is used.

All costs are recognised on an accruals basis.

Translation of Foreign Currencies

Transactions denominated in foreign currencies are translated into sterling at the rate applying on the date of the transaction. Year end balances stated in foreign currencies are translated into sterling at the relevant Bank of England currency rate on 31st December. All gains and losses on translation of foreign currency amounts are recognised as income or expenditure.

Intangible Assets

Intangible assets relate to website development costs. Where group companies' websites are expected to generate future revenues in excess of the costs of developing those websites and all other capitalisation criteria are met, expenditure on the functionality of the website is capitalised and treated as an intangible fixed asset. The capitalised website development costs are subsequently amortised to 'administrative' expenses on a straight line basis over 3 years, except for those that are 'assets under construction', where no amortisation charge is incurred until the asset is complete.

Tangible Assets

Only assets costing over £300 are capitalised. All fixed assets are stated at cost (or deemed cost in the case of Freehold Property). Depreciation is calculated to write off the cost amount of the assets over their estimated useful lives as follows:

Land	Not depreciated
Buildings	50 years straight line
Building improvements	5 years straight line
Fixtures and fittings	10 years reducing balance
Office machinery & computer software	3-5 years reducing balance
Computer Hardware	3 years straight line

Impairment Policy

Impairment reviews are carried out where there is an indication that the recoverable amount of a fixed asset is below its net book value.

Leases

Rentals paid under operating leases are charged to the income and expenditure account on a straight-line basis over the term of the lease.

Research

Research expenditure is written off as it is incurred.

The Institute of Grocery Distribution

Notes to the accounts (continued)

For the year ended 31st December 2019

2. Accounting Policies (continued)

Pension costs

IGD operates a Group Personal Pension Plan, which is a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The cost is recognised based on what is charged in the period.

Key judgement and accounting estimates

Provision is included in the accounts for employees' bonuses based on targets agreed up front by the remuneration committee. However, final confirmation of the amount payable lies with the remuneration committee which may be after the date the accounts are finalised.

Investments

Investments held as fixed assets are stated at their market value. Any movement in the value is shown as a 'net gain on investment value' in the accounts.

Income from investments is brought to account in the income and expenditure account and statement of financial activities when receivable.

Funds

Funds are classified under three main types:

- Restricted: These are funds that have been received by the Charity for a purpose specified by the donor.
- General: These are the unrestricted funds held by the charity and its subsidiary.
- Revaluation reserve: The revaluation reserve in respect of the building is amortised over 50 years, in line with the depreciation of the building.

The reserve relating to specific funding for the building extension is classified as Restricted funds and is amortised on a straight-line basis to write back the reserve over the estimated useful lives of the assets to which it relates.

All other funds are classified as General.

The Institute of Grocery Distribution

Notes to the accounts (continued)

For the year ended 31st December 2019

3. Net Income/(Expenditure)

Net income/(expenditure) is stated after charging:

		2019 £	2018 £
Depreciation/Amortisation	- owned assets	504,559	663,098
Auditors' remuneration	- for audit services	43,549	30,369
	- for other services	28,920	35,765
Indemnity insurance		696	7,220
Operating lease rentals	- plant and machinery	77,929	40,283
		<u>77,929</u>	<u>40,283</u>

Staff costs

	2019 £	2018 £
Wages and salaries	8,681,535	8,263,516
Social security costs	935,749	903,674
Other pension costs	1,306,664	1,215,630
	<u>10,923,948</u>	<u>10,382,820</u>

Total remuneration received by the senior leadership team was £1,238,257 (2018: £1,254,932).

The pension costs of £1,306,664 (2018: £1,215,630) represent the contributions payable by the company to the Group Personal Pension Plan. No Contributions were payable to the fund at the year end and included in creditors. (2018: £nil).

Redundancy, restructuring and termination costs relating to a number of employees were £54,116 (2018: £56,783). These costs have been fully provided for in the Annual Accounts for 2019.

The average number of permanent and temporary employees of IGD during the year was 159 (2018:149).

Higher paid employees

	2019 number	2018 number
£60,001 to £70,000	13	19
£70,001 to £80,000	17	8
£80,001 to £90,000	7	13
£90,001 to £100,000	6	6
£100,001 to £110,000	4	2
£110,001 to £120,000	4	2
£120,001 to £130,000	1	1
£130,001 to £140,000	1	3
£140,001 to £150,000	1	-
£180,001 to £190,000	-	1
£190,001 to £200,000	1	-
£230,001 to £240,000	1	-
£280,001 to £290,000	-	1
	<u>56</u>	<u>56</u>

The banding includes salaries, bonus payments and payments in lieu of pension contributions made to employees during the year. Total pension contributions paid in respect of higher paid employees were £654,397 (2018: £665,974).

The Institute of Grocery Distribution

Notes to the accounts (continued)

For the year ended 31st December 2019

4. Investment income and Interest receivable

	2019 £	2018 £
Bank deposit interest receivable	<u>60,241</u>	<u>45,719</u>

5. Taxation on the Surplus on Ordinary Activities

	2019 £	2018 £
5a.		
Analysis of tax charge		
in the year:		
Current Taxation:		
UK Corporation tax on Profits of the year	-	-
Canadian Income tax on Profits of the year	12,296	5,041
Withholding tax on overseas inter group dividend received	<u>11,627</u>	<u>-</u>
Tax on profit on ordinary activities	<u>23,923</u>	<u>5,041</u>
5b.		
Factors affecting the tax charge for the year:		
Profit on ordinary activities before tax	<u>4,100,486</u>	<u>5,462,583</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax of 19% (2018:19%)	779,092	1,037,891
Effects of:		
Deferred tax not recognised	(19,008)	50,856
Fixed asset differences	76,783	62
Expenses not deductible for tax purposes	137,689	2,572
Charitable donations paid through equity	(776,884)	(1,091,381)
Income not taxable for tax purposes	(45,924)	-
Group relief claimed	(151,748)	-
Canadian tax payable	12,296	5,041
Overseas WHT suffered	<u>11,627</u>	<u>-</u>
Total tax charge for the year	<u>23,923</u>	<u>5,041</u>

The Institute of Grocery Distribution

Notes to the accounts (continued)

For the year ended 31st December 2019

6. Income

	2019 £	2018 £
Trading activities:		
Membership Subscriptions	3,249,488	3,080,841
Training and Research	13,889,863	13,984,859
	17,139,351	17,065,700
Charitable activities:		
Sponsorship	-	8,155
	-	8,155

7. Expenditure

7a. Split of expenditure on raising funds

	2019 £	2018 £
Direct costs	2,273,879	2,384,456
Administrative expenses:		
Staff costs	8,356,132	8,069,304
Depreciation/Amortisation	438,594	613,652
Other admin costs	1,583,324	1,547,748
	10,378,050	10,230,704
Governance costs:		
Auditors' remuneration -for audit services	43,549	30,369
-for other services	28,920	35,765
	12,724,398	12,681,294

7b. Split of expenditure on charitable activities

	People £	Health & Wellness £	Sustain- ability £	Economic Analysis £	2019 Total £	2018 Total £
Direct costs:	513,237	109,425	125,011	16,323	763,996	739,557
Administrative expenses:						
Staff costs	874,937	613,947	571,692	425,040	2,485,616	2,225,310
Depreciation	23,220	16,293	15,172	11,280	65,965	49,446
Other admin costs	174,084	122,155	113,748	84,569	494,556	539,902
	1,072,241	752,395	700,612	520,889	3,046,137	2,814,658
Governance costs:						
Staff Costs	28,934	20,303	18,906	14,057	82,200	88,206
	1,614,412	882,123	844,529	551,269	3,892,333	3,642,421

The Institute of Grocery Distribution

Notes to the accounts (continued)

For the year ended 31st December 2019

8. a. Net Income of Trading Subsidiary

IGD has a wholly owned subsidiary, IGD Services Limited (registered office: Grange Lane, Letchmore Heath, Watford, WD25 8GD). The company provides training, conferences, online information services and research to companies mainly within the food and consumer goods industry. It donates its taxable profits to IGD and a summary of its trading results is shown below. Audited accounts are filed annually with the Registrar of Companies.

Profit and Loss Account

	2019 £	2018 £
Turnover	16,890,368	16,907,674
Direct expenses	(2,264,136)	(2,374,294)
Administration expenses	(10,826,190)	(9,115,782)
Operating surplus	3,800,042	5,417,598
Interest receivable	58,738	44,985
Dividend receivable	241,706	-
Profit before taxation	4,100,486	5,462,583
Taxation	(11,627)	-
Profit after taxation	4,088,859	5,462,583
Gift Aid Payment	(4,088,859)	(5,744,113)
Retained profit in subsidiary	-	(281,530)
Total assets	14,509,146	15,069,888
Total liabilities	(14,138,624)	(14,699,366)
Shareholders' funds	370,522	370,522

8 b. Net Income of Canadian Subsidiary

IGD Services Limited has a wholly owned subsidiary registered in Canada, IGD Services (Canada) Inc. (registered office: Impart Law Professional Corp, 700 - 34 King Street East, Toronto, M5C 2X9, Canada) incorporated under the Business Corporations Act of Ontario on 5th October 2010. The company provides training and information services in Canada to companies mainly in the food and consumer goods industry.

	2019 £	2018 £
Turnover	168,934	154,202
Direct expenses	(7,922)	(10,162)
Administration expenses	(112,968)	(125,015)
Profit before taxation	48,044	19,025
Taxation	(12,869)	(5,041)
Dividend paid	(232,531)	-
Retained (loss)/profit (IGD Services (Canada) Inc.)	(197,356)	13,984
Total assets	303,541	477,831
Total liabilities	(248,155)	(227,865)
Shareholders' funds	55,386	249,966

The Institute of Grocery Distribution

Notes to the accounts (continued)

For the year ended 31st December 2019

8 c. Net Income of Singapore Subsidiary

IGD Services Limited also has a wholly owned subsidiary registered in Singapore, IGD Services (Singapore) Pte. Ltd. (registered office: c/o Associates Corporate Services Pte. Ltd., 80 Robinson Road, #02-00, Singapore 068898) incorporated in Singapore on 15th February 2016. The company employs 3 people and strengthens our research proposition across Asia.

	2019 £	2018 £
Turnover	417,083	109,828
Income from transfer of IP to parent company	569,000	-
Direct expenses	(1,821)	-
Administration expenses	(675,571)	(1,149,776)
Profit/(loss) before taxation	308,691	(1,039,948)
Taxation	573	-
Retained profit/(loss) (IGD Services (Singapore) Pte. Ltd)	309,264	(1,039,948)
Total assets	46,093	24,921
Total liabilities	(728,204)	(1,038,248)
Shareholders' funds	(682,111)	(1,013,327)

9. Categorisation of Funds

a. Restricted Funds

	2019 £	2018 £
Building reserve:		
Fund brought forward	-	7,748
Amortisation	-	(7,748)
Fund carried forward	-	-

The Building reserve represents donations received to fund the building of an extension and was fully amortised at 31 December 2018.

b. Unrestricted Funds:

	Revaluation reserve £	Other unrestricted funds £	Total general funds £
Fund brought forward	1,399,071	8,510,042	9,909,113
Net surplus after taxation	-	583,665	583,665
Amortisation – revaluation reserve	(20,293)	20,293	-
Fund carried forward	1,378,778	9,114,000	10,492,778

The Institute of Grocery Distribution

Notes to the accounts (continued)

For the year ended 31st December 2019

9. Categorisation of Funds (continued)

c. Analysis of Group Net Assets (current year)

	General 2019 £	Designated 2019 £	Restricted 2019 £	Total 2019 £
Fixed assets	1,248,682	1,378,778	-	2,627,460
Current assets:				
Cash at bank and in hand	8,458,224	-	-	8,458,224
Short-term bank deposits	4,058,208	-	-	4,058,208
Other current assets	3,059,456	-	-	3,059,456
	15,575,888	-	-	15,575,888
Creditors less than one year	(7,699,320)	-	-	(7,699,320)
Net current assets	7,876,568	-	-	7,876,568
Total assets less current liabilities	9,125,250	1,378,778	-	10,504,028
Creditors due after more than one year	(11,250)	-	-	(11,250)
Net Assets	9,114,000	1,378,778	-	10,492,778

d. Analysis of Group Net Assets (previous year)

	General 2018 £	Designated 2018 £	Restricted 2018 £	Total 2018 £
Fixed assets	1,540,260	1,399,071	-	2,939,331
Current assets:				
Cash at bank and in hand	7,160,849	-	-	7,160,849
Short-term bank deposits	4,026,000	-	-	4,026,000
Other current assets	3,862,651	-	-	3,862,651
	15,049,500	-	-	15,049,500
Creditors less than one year	(8,031,890)	-	-	(8,031,890)
Net current assets	7,017,610	-	-	7,017,610
Total assets less current liabilities	8,557,870	1,399,071	-	9,956,941
Creditors due after more than one year	(47,828)	-	-	(47,828)
Net Assets	8,510,042	1,399,071	-	9,909,113

The Institute of Grocery Distribution

Notes to the accounts (continued)

For the year ended 31st December 2019

10. Intangible and Tangible Fixed Assets

a. Group – Tangible Assets

	Freehold property	Building Improv'ts	Assets under Construc- tion	Fixtures and equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2019	2,205,148	99,272	88,930	2,121,036	4,514,386
Additions	-	12,623	-	178,690	191,313
Transfer	-	-	(88,930)	(4,804)	(93,734)
Disposals / Write offs	-	-	-	(677,025)	(677,025)
At 31 December 2019	<u>2,205,148</u>	<u>111,895</u>	<u>-</u>	<u>1,617,897</u>	<u>3,934,940</u>
Accumulated depreciation					
At 1 January 2019	241,735	53,603	-	1,647,735	1,943,073
Charge for the year	30,503	20,259	-	168,288	219,050
Transfer	-	-	-	(924)	(924)
Disposals / Write offs	-	-	-	(677,025)	(677,025)
At 31 December 2019	<u>272,238</u>	<u>73,862</u>	<u>-</u>	<u>1,138,074</u>	<u>1,484,174</u>
Net book value					
At 31 December 2019	<u>1,932,910</u>	<u>38,033</u>	<u>-</u>	<u>479,823</u>	<u>2,450,766</u>
At 31 December 2018	<u>1,963,413</u>	<u>45,669</u>	<u>88,930</u>	<u>473,301</u>	<u>2,571,313</u>

IGD has taken the option in FRS102 to use the latest valuation of the freehold property as deemed cost at the transition date of 1 January 2015. Assets under construction were costs incurred on an upgrade to our CRM system which went live in the first half of 2019. At that point the costs were transferred to Intangible Assets (software costs) and amortised from that point.

b. Group – Intangible Assets

	Software £	Websites £	Total £
Cost			
At 1 January 2019	-	793,569	793,569
Additions	1,375	-	1,375
Transfer	93,734	-	93,734
At 31 December 2019	<u>95,109</u>	<u>793,569</u>	<u>888,678</u>
Accumulated amortisation			
At 1 January 2019	-	425,551	425,551
Charge for the year	23,631	261,878	285,509
Transfer	924	-	924
At 31 December 2019	<u>24,555</u>	<u>687,429</u>	<u>711,984</u>
Net book value			
At 31 December 2019	<u>70,554</u>	<u>106,140</u>	<u>176,694</u>
At 31 December 2018	<u>-</u>	<u>368,018</u>	<u>368,018</u>

c. Company

The company owns all the freehold property (with building improvements) plus fixtures and fittings with a net book value of £61,642 (2018: £18,177).

The Institute of Grocery Distribution

Notes to the accounts (continued)

For the year ended 31st December 2019

11. Investments

a. Group Undertakings

	2019 £	2018 £
Shares at cost – IGD Services Limited	<u>300,000</u>	<u>300,000</u>

12. Debtors

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Trade debtors	2,558,757	3,522,061	-	-
Amount due from group undertaking	-	-	7,763,418	8,162,061
Other debtors	60,506	73,142	59,557	47,162
Prepayments and accrued income	440,193	267,448	17,547	11,193
	<u>3,059,456</u>	<u>3,862,651</u>	<u>7,840,522</u>	<u>8,220,416</u>

13. a) Creditors: Amounts falling due within one year

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Trade creditors	470,871	503,509	41,571	83,959
Taxation and social security	817,384	812,533	275,714	261,593
Accruals	1,270,420	1,252,995	936,511	961,392
Deferred income (see 13c)	5,140,645	5,462,853	48,555	58,813
	<u>7,699,320</u>	<u>8,031,890</u>	<u>1,302,351</u>	<u>1,365,757</u>

b) Creditors: Amounts falling due after more than one year

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Deferred income	<u>11,250</u>	<u>47,828</u>	<u>-</u>	<u>-</u>

Creditors falling due after one year comprises deferred income for subscriptions which fall beyond 31st December 2019.

The Institute of Grocery Distribution

Notes to the accounts (continued)

For the year ended 31st December 2019

c) Movement in deferred income

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Deferred income brought forward	5,510,681	5,255,597	58,813	54,242
Released in the year	(5,424,763)	(5,185,849)	(29,758)	(21,276)
Income deferred in the year	5,065,977	5,440,933	19,500	25,847
	5,151,895	5,510,681	48,555	58,813

Deferred income comprises income invoiced for subscriptions, membership, training and events which fall beyond 31st December 2019.

14. Reconciliation of net income/(expenditure) to Operating Cash Flows

	2019 £	2018 £
Net income/(expenditure)	582,861	795,859
Investment income	(60,241)	(45,719)
Depreciation/amortisation charges	504,559	663,098
Profit on revaluation of overseas subsidiary reserves	24,727	4,434
Decrease/(Increase) in debtors	803,946	(94,954)
(Decrease)/Increase in creditors	(386,971)	486,291
	1,468,881	1,809,009
Taxation paid	(6,851)	(28,873)
Net cash generated from operating activities	1,462,030	1,780,136

15. Reconciliation of Net Cash Flow to Movement in Net Funds

	2019 £	2018 £
Increase in cash for the year	1,297,375	1,496,632
Movement in net funds for the year	1,297,375	1,496,632
Net funds at 1 January	7,160,849	5,664,217
Net funds at 31 December	8,458,224	7,160,849

16. Analysis of Net Funds

	Balance 1 Jan 2019 £	Cash Flows £	Balance 31 Dec 2019 £
Cash at bank and in hand	7,160,849	1,297,375	8,458,224
Total net funds	7,160,849	1,297,375	8,458,224

The Institute of Grocery Distribution

Notes to the accounts (continued)

For the year ended 31st December 2019

17. Lease commitments

	2019 £	2018 £
Minimum future lease commitment:		
Due within one year	23,207	8,244
Due 2-5 years	-	-
	<u>23,207</u>	<u>8,244</u>

None of the above lease commitments are in respect of land and buildings.

18. Trustees' Reimbursements

No reimbursements were made in 2019 or 2018 in respect of Trustees' expenses.

No Trustee has received any remuneration in 2019 or 2018 for their role as Trustee.

19. Related Party Transactions

There were no related party transactions in either 2019 or 2018.

The Company has taken advantage of the exemptions available in terms of the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared.

20. Results of the parent company

As a consolidated Statement of Financial Activities is published, a separate income and expenditure account for the parent undertaking is omitted from the group accounts by virtue of section 408 of the Companies Act 2006. The surplus for the year retained in the books of the parent undertaking was £198,030 (2018: £2,098,312). Total net income of the parent undertaking was £4,088,859 (2018: £5,744,113) being the Gift Aid received from IGD Services Ltd.

21. Capital Commitments

At 31 December 2019 the Group was committed to capital spend of £nil (2018: £nil).

22. Post Balance Sheet event

Since the year end, the COVID-19 global pandemic has impacted the world, introducing operational and financial risk to all entities. IGD has been able to work as a liaison between government and industry, helping the flow of information, providing advice and support in order to ensure that food and consumer goods continue to be available to the public. We have also worked on initiatives to ensure that food is reaching the most vulnerable in our society. Operationally, we have been able to support all our colleagues in enabling them to work from home and our technology has allowed this to operate seamlessly. Financially, IGD has strong reserves and cash levels and we have taken moves to minimise financial risk for all companies in the group. Face to face offerings have been postponed, cancelled or moved to virtual online offerings in order to reduce costs while still being able to serve our customer base. Although we initially focused on helping our stakeholders to navigate the initial crises, throughout April we adapted our content to help our stakeholders to start planning for the future and we have experienced record traffic levels to our websites. Forecasts with varying scenarios have been undertaken and we are confident that we can manage any short-term financial risks (see page 14). In the longer term, we are looking at ways we can ensure our income base is sustainable should face to face gatherings and travel restrictions continue. A large proportion of our offering is already online based which puts us in a strong position and we are confident that the insight and training services we provide will continue to be in demand.

The Institute of Grocery Distribution

Independent auditor's report to the members of The Institute of Grocery Distribution

Opinion

We have audited the financial statements of The Institute of Grocery Distribution ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 December 2019 which comprise the group statement of financial activities, the group and company statement of financial position, the group statement of cash flows 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 Group's and of the Parent Charitable Company's affairs as at 31 December 2019 and of the Group's net income 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements 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 related 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 Group or the Parent Charitable 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 other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: Trustees' Report (including Strategic Report). The Trustees are responsible for the other information.

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.

Opinions 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 Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

The Institute of Grocery Distribution

Independent auditor's report to the members of The Institute of Grocery Distribution (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

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

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 determines is 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 Group's and the Parent 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 Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 an auditor's report 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 at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 an auditor's report 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.

BDO LLP

Kyla Bellingall (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor
Birmingham,
United Kingdom
Date: 15 July 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

The Institute of Grocery Distribution

Board of Trustees and IGD Services Limited Board of Directors For the year ended 31st December 2019

The following is a list of Trustees and Directors who have served in the year to 31 December 2019. Individuals served throughout the year unless otherwise indicated.

Trustee of IGD and Director of IGD Services Ltd

Ann Bell	Chief Operating Officer	Tesco Thailand
Ian Morley	Group Sales Director, Northern Europe	Procter & Gamble
David O'Flynn	Chief Financial Officer	Musgrave
Jill Ross	Chief Executive Officer	McCurrach UK Ltd

Trustee of IGD

Lindsay Boswell	Chief Executive Officer	Fareshare.org (appointed Jan 2020)
Andrew Clappen	Group Corporate Services Director	Morrisons
Colin Moss	VP Finance	Mars Wrigley Confectionary UK (appointed Feb 2019)
Mark Webster	Managing Director – ESS Defence/Offshore/ Remote	Compass Group UK & Ireland
Chris Whitfield	Chief Operating Officer	Co-operative Food
Bradley Moore	Sales Director	Nestle Purina Petcare UK (resigned Sep 2019)
Phil Tenney	Chief Digital and Technology Officer	Asda (resigned Sep 2019)

Director of IGD Services Ltd

Paul Mills-Hicks	Food Commercial Director	Sainsbury's
Bradley Moore	Sales Director	Nestle Purina Petcare UK
Phil Tenney	Chief Digital and Technology Officer	Asda
Michael Evans	Group Communications Director	Greencore Group (appointed 28 February 2019)
Colin Moss	VP Finance	Mars Wrigley Confectionary UK (appointed Feb 2019; resigned Sep 2019)
Mark Webster	Managing Director – ESS Defence/Offshore/ Remote	Compass Group UK & Ireland (resigned Sep 2019)

The Institute of Grocery Distribution

Senior Leadership Team

For the year ended 31st December 2019

IGD's Senior Leadership Team comprises:

Chief Executive Officer	Susan Barrett (appointed Jan 2019)
Chief Finance Officer	Ian Fish
Strategy and Innovation Director	Jon Woolven (resigned Sep 2019)
Strategy and Corporate Affairs Director	Naomi Kissman (appointed Oct 2019)
Charity Programmes Director	Anne Bordier
Commercial Director	Nick Downing
Commercial Director	Louise Spillard (resigned Aug 2019)
Insight Services and Events Director	Ben Miller (appointed Jan 2020)
Solutions Director	Tarun Patel (appointed Jan 2020)
Communications and Marketing Director	Sian Brenchley (resigned Oct 2019)
Communications and Marketing Director	Sarah Baldock (appointed Nov 2019)