THE SOCIETY OF OPERATIONS ENGINEERS

England & Wales · Charity number 1081753

Details

Other names	SOCIETY OF OPERATIONS ENGINEERS, SOE
Status	Registered
Legal form	Charitable company
Company number	03667147
Registered	2000-07-27
Register	View on the Charity Commission register

Contact

Address	Society Of Operations Engineers 22 Greencoat Place London SW1P 1PR
Phone	02076301111
Email	soe@soe.org.uk
Website	www.soe.org.uk

Activities

Objects: (A) TO IMPROVE AND ELEVATE THE TECHNICAL AND GENERAL UNDERSTANDING, KNOWLEDGE, SKILL AND COMPETENCE OF PERSONS ENGAGED OR DESIRING TO BE ENGAGED IN OPERATIONS ENGINEERING OR IN ANY RELATED EMPLOYMENT, AND THE INTEGRITY AND REPUTE OF THE PROFESSION THEREOF;(B) TO PROMOTE AND ENCOURAGE THE ADVANCEMENT OF SCIENCE, TECHNOLOGY AND PRACTICE, AND INVENTIONS AND IMPROVEMENTS, IN THE FIELD OF OPERATIONS ENGINEERING AND ANY OTHER RELATED BRANCHES OF ENGINEERING, AND THE DISSEMINATION AND EXCHANGE OF IDEAS, INFORMATION AND KNOWLEDGE THEREOF;(C) BY MEANS OF (A) AND (B) ABOVE, BUT WITHOUT PREJUDICE TO THE GENERALITY THEREOF, TO PROMOTE THE SAFETY, EFFICIENCY AND ENVIRONMENTAL SUSTAINABILITY OF OPERATIONS ENGINEERING TO THE BENEFIT OF THE COMMUNITY AT LARGE.

Activities: SOE is a membership organisation with individual members,company and academic members. It offers a wide range of technical information, advice and feedback via its website, journals and technical events. It encourages suitably qualified members to register with Engineering Council and operates a licensing scheme - irtec - for vehicle mechanics and technicians.

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Classification

- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** Education/training
- **Who:** The General Public/mankind

Geography

- Hong Kong
- Ireland
- Northern Ireland
- Scotland
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£2,213,850	£2,665,698	£4,933,046	23
2023-12-31	£2,380,097	£2,559,031	£5,210,454	24
2022-12-31	£2,623,221	£2,485,381	£5,334,972	23
2021-12-31	£2,261,019	£2,557,704	£5,422,813	24
2020-12-31	£2,521,022	£2,504,694	£5,363,715	25

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Trustees

Name	Role	Appointed
Michael Paul Sweetmore	Chair	2013-10-23
Caroline Harries Mrs		2021-10-05
David Young		2025-04-25
Dominic Mark Dawson		2024-12-31
George Haywood		2024-12-31
Laird Ian Martin Macdonald		2022-12-13
Laura Hadzik		2025-04-25
Nick Patrick Elliott		2024-12-31
Prof Louis Lock		2024-12-31
Stephen Gordon Tweed		2022-06-30

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THE SOCIETY OF OPERATIONS ENGINEERS

England & Wales - Charity number 1081753

Accounts

Society of Operations Engineers

REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2024

THE SOCIETY OF OPERATIONS ENGINEERS

Registered in England
Private Company No 03667147
Registered Charity No 1081753

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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Registered Office
22 Greencoat Place, London SW1P 1PR
Tel: 020 7630 1111 Website: www.soe.org.uk

The Society is governed by its Articles of Association

VAT Registration No 751 8131 42

A private company limited by guarantee.

A Licensed Member of the Engineering Council and the Society for the Environment

THE SOCIETY OF OPERATIONS ENGINEERS

Patron	Sir John Parker GBE
TRUSTEE BOARD	
President	JE Eastman EngTech CEnv FSOE FIRTE (resigned Feb 2024)
Chair (then appointed President from Dec 2024)	HM Seymour CEng CEnv FSOE FIPlantE FIRTE
Honorary Treasurer	MP Sweetmore Eng Tech MSOE MIRTE
Director Standards	GM Gilby IEng CEnv FSOE FIPlantE (resigned Dec 2024)
Director IRTE	SS Cheema EngTech FSOE FIRTE (resigned Sept 2024)
Director BES	D Greer IEng REnvP MSOE MBES (resigned Dec 2024)
Chair of Environmental	SG Tweed CEng CEnv FSOE FIPlantE
Chair of Membership & Professional Standards	IM MacDonald IEng FSOE FIRTE FIPlantE
Director Co-opted (appointed as Honorary Secretary from Dec 2024)	CJ Harries MSOE MIRTE
Chair of IRTE	NP Elliott MSOE MIRTE (joined Dec 2024)
Chair of BES	DM Dawson CEng MSOE MBES (joined Dec 2024)
Chair of IPlantE	
Director	FS Lock CEng CEnv HonFSOE HonFIPlantE (joined Dec 2024)
Director	DJ Carter IEng MSOE MIRTE (joined Dec 2024)
	G Haywood EngTech FSOE FIRTE (joined Dec 2024)

MANAGEMENT TEAM	
Executive Director & Company Secretary	Emma Thompson MSOE
Chief Operating Officer	Daniel Moir BA(Hons) (until April 2024)
CV Show Executive Lead	Susan Kitchener (until Sept 2024))
Head of Finance	Pamela Mansley FCCA (until June 2024)
Head of Finance and Services	Deva Wijeyesekera FCCA (from June 2024)
Marketing & Strategy Lead	Greeshma Suresh
Member Relations Manager	Oliver Teasell MSOE
Membershipand Professional Standards Lead	Robin Bates MSOE MBES
Technical Product Manager	Leo Hubbard MSOE MIRTE
PA and Office Manager	Chelsea Gilkes (from Mar 2024)
CRM Manager	Richard Pacy (from Mar 2024)
Business Development Manager	Alex Clifton (from September 2024)

PROFESSIONAL ADVISORS	
Statutory Auditor	Crowe U.K. LLP R+ Building, 2 Blagrave Street, Reading RG1 1AZ
Bankers	HSBC Bank plc 333 Vauxhall Bridge Road, London SW1V 1EJ
Investment Manager	Rathbone Investment Management Limited Port of Liverpool Building, Pier Head, Liverpool L3 1NW

Society of Operations Engineers

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

Trustees' Report for the Year Ending 31 December 2024

The Trustees, who also serve as Directors of the Society of Operations Engineers (SOE), a registered charity (No. 1081753) and a company limited by guarantee (No. 03667147), are pleased to present their annual report together with the audited financial statements for the year ending 31 December 2024. This report has been prepared in accordance with the Charities SORP (FRS 102), applicable UK financial reporting standards, and the Charities Act 2011.

The Society is governed by its Articles of Association, originally adopted on 12 November 1998 and most recently amended on 2 September 2024 in line with the Companies Act 2006. These amendments reflect the Society's ongoing commitment to maintaining a modern and effective governance structure.

Legal Status
SOE is a private company limited by guarantee, registered in England (Company No. 03667147), and a registered charity (Charity No. 1081753).

Purpose
The Society's charitable objects, as set out in its articles, are focused on promoting excellence, advancing knowledge, and upholding high standards within operations engineering and related disciplines.

Membership
SOE operates as a membership organisation, offering defined classes of membership and a structure that enables representation from across the professional sectors it serves.

Governance Structure
The Society is governed by a Trustee Board comprising Officers, elected Trustees, and representatives from key professional sectors. The powers and duties of the Board are defined in the Articles of Association.

Powers and Responsibilities
The Articles establish provisions for governance, including delegation of powers, conflict of interest management, and the application of the Society's income solely toward its charitable purposes.

Dissolution
In the event of dissolution, any remaining assets must be transferred to another charity with similar charitable objectives.

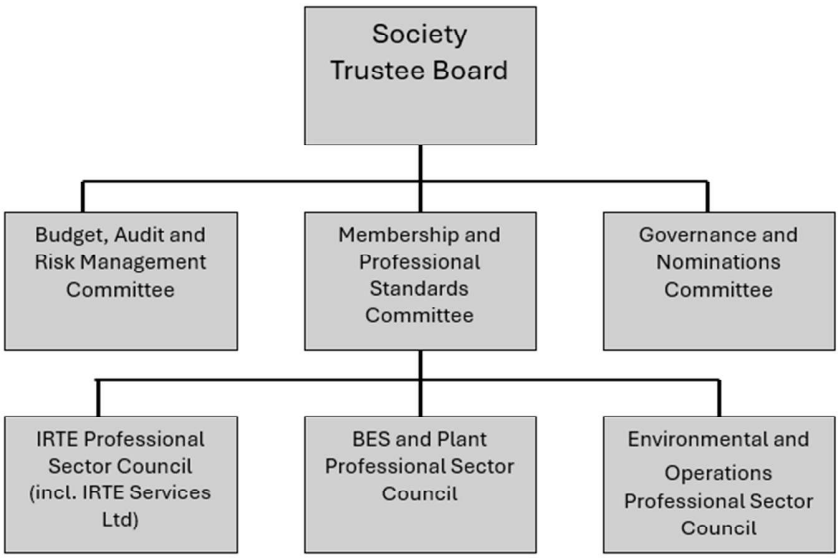
Throughout 2024, the Society has made significant updates to its Articles of Association to ensure that its governance remains effective and relevant in a changing professional environment. These changes have strengthened the collaborative relationship between the management team and the Directors. Monthly Trustee Board meetings were held throughout the year to address key issues and enhance the transparency and accountability of the Society's operations.

Society of Operations Engineers

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

About the Society of Operations Engineers (SOE)

The SOE is a forward-thinking membership body representing engineers across various sectors, including IRTE (Institute of Road Transport Engineers), IPlantE (Institution of Plant Engineers), BES (Bureau of Engineering Surveyors), and Environmental & Operations Engineering. With a professional staff team of 19 and a diverse membership, the SOE focuses on advancing safe, efficient, and sustainable engineering practices across multiple industries.



Decision-Making Structure

1. Strategic and Governance-Level Decisions (Trustee Board)
The Trustee Board holds ultimate responsibility for the governance and strategic oversight of the Society. The Board have authority to:

- Manage the business of the Society and exercise all its powers
- Approve policies, budgets, and strategic direction
- Appoint, co-opt, and remove directors and officers
- Form and regulate Professional Sector Councils and Committees
- Approve and amend Rules of the Society
- Make decisions on conflict-of-interest issues and director benefits
- Authorise delegations of authority to staff, officers, or committees

2. Delegated Operational Decisions (Staff and Officers)
The Trustee Board delegates operational matters to staff and Officers to manage the day-to-day running of the organisation:

- Officers are appointed by the Society in general meeting and have powers as set out in the Rules

- The directors may delegate any of their powers or functions to staff or committees, provided such delegations are recorded in writing
- Staff, under the direction of the Chief Executive or designated managers, manage operational execution in line with Board-approved strategies and policies.

3. Committee and Council Input
Professional Sector Councils and other committees may be delegated specific responsibilities, with all actions reported back to the Board.

Our Mission

The SOE aims to:

- Enhance the technical expertise, ethical standards, and competence of engineers in operations engineering and related fields.
- Promote innovation, knowledge sharing, and advancements in science, technology, and engineering practices.
- Champion safety, efficiency, and environmental sustainability for the benefit of society.

Strategic Highlights of 2024

This year, the SOE concentrated on:

- Strengthening partnerships with stakeholders and Corporate Partners.
- Extending licences with the Environmental and Engineering Councils.
- Boosting membership growth, registration numbers, and the uptake of initiatives such as the Maintenance Provision Rating Scheme (MPRS).
- Expanding digital engagement through webinars and online resources to provide accessible CPD opportunities for members.

Society of Operations Engineers

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

IMPACTING AND INFLUENCING
engineers responsible for a safer and ethical tomorrow

SOE is at the forefront of elevating standards in engineering, raising the profile of professional registration and guiding members through their career aspirations. With the support of you, our members, we have made a huge impact in the sector through events, webinars, new content and innovative solutions with more to come.

Key areas where SOE invests your membership fees

Product innovation

In 2024, we worked round the clock to bring forth two big innovations to support your career transformation: Mentoring (out in 2024), and CPD platform (out in 2025).

Events

Through initiatives like the IRTE Bus & Coach Skills Challenge and the Safety & Resilience Awards, SOE is actively supporting our community by promoting upskilling, recognising outstanding achievements, and celebrating successes with peers.

Content

This year we launched the 'Navigating Engineering: Pathways to Progress' guide – a peer-reviewed career guide which is all about helping you map your career progression, featuring real-life case studies and ideas to develop your own career pathway.

Campaigns

Working with the Engineering Council, Royal Academy of Engineering, EngineeringUK, the Society for the Environment, and our Professional Sector Councils (PSCs), we are actively advocating for professional standards to become a must-have in engineering.

People

While doing all of this, we're also ensuring that the people who serve you are supported through internal training and engagement schemes, our newly developed EDI (Equality, Diversity, and Inclusion) working group, and continuous professional development (CPD). This helps us stay ahead of industry trends and deliver the best service possible.

Raising the profile of our industry

Speaking engagements:

Spokespeople of the SOE represented us across these conferences raising awareness of our sectors' work and sharing their thought leadership:

- Commercial Vehicle Show 2024
- IRTE Bus & Coach Skills Challenge 2024
- APSE Conference 2024
- Net Zero Week 2024
- Industrial Maintenance Solutions Summit 2024
- AMPS Industry Day
- Safety & Resilience in Engineering Awards 2024
- Energy Security & Green Infrastructure Week 2024

Regional coverage:

Our volunteer network ran CPD lectures, demonstrations and meetings across the country. Check out our popular regions.

- Ireland North
- London
- North Eastern
- North London
- Northern
- Scottish Ayrshire
- South Wales Regional Group
- Wiltshire

Society of Operations Engineers

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

Guiding new members

To date we have awarded membership to **385 members in 2024**

We have supported **121 students & apprentices** by granting them student or apprentice membership. (included in the 385 figure)

1 month the average time it takes to process an EngTech application

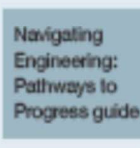
6 months the average time it takes to complete a CEng application

We ratified and approved **79** professional registration applications

Expanding content library

We have been busy growing our library of technical content, career advice and real-life stories as well as bringing the latest technical advancements, legislation and compliance updates.

Navigating Engineering: Pathways to Progress guide



Navigating Engineering videos

For the Sake of Safety podcast

Inspiring case studies from our members

Transport Engineer

Operations Engineer

SOE News

Raising and upholding Professional Standards

New innovations

- **Mentoring scheme** offering a matching service to connect experienced professionals with those looking to advance their careers.
- **CPD platform** (coming early 2025) providing world-class content to support you in developing and maintaining your engineering competence.
- **REnvTech** in collaboration with the Society for the Environment offering professional registration for environmental technicians.
- **Training courses** – From 2025, SOE members in the IRTE sector will benefit from a 10% discount on select training courses offered by Beverley Bell Consulting.

Accreditations and CPD

- **Approved and accredited the training at Infinis** to meet the academic and competence requirements for EngTech. This was one of the first activities under the Engineering Council's updated AAQA first edition, done in collaboration with our Professional Affiliate, IPowerE.
- **Approved the CLP Power Emerging Professional Development Programme Training Scheme** as meeting the competence requirements for CEng, providing a streamlined route to professional registration for employees who complete the training.
- **Approved 5 CPD schemes** as delivering high-quality content against set learning outcomes, serving as a badge of excellence.
- **Provided training to over 30 volunteers** to ensure they have up-to-date knowledge, skills and experience across all membership and registration activities.
- **Audited and reviewed the CPD logs of over 130 members,** ensuring their engineering competence remains current and promoting professionalism within the industry.

irtec

Over 15,000 active irtec technicians, with **257 irtec Accredited Assessors** and **59 irtec Assessment Centres** globally. Steady growth since 2010 reflects the industry's commitment to professional standards.

The upcoming BSI Flex Standards present an opportunity for alignment with irtec's long-term strategy, particularly around zero-emission HGV maintenance.

IRTE Workshop accreditation

310 active Workshop Accreditations, with **65 completed** in 2024. We will have **20 auditors** by the end of 2024. Our accreditations have expanded internationally, with audits in Ireland and Singapore, continuing to raise workshop standards globally.

With your continued support, together we can shape the future of our sector

Society of Operations Engineers

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

Governance and Structure

The SOE operates under the guidance of a Trustee Board, consisting of up to 14 members responsible for governance and strategic oversight. Supporting the Board are the following committees:

- **Budget, Audit, and Risk Committee**
- **Membership and Professional Standards Committee**
- **Governance and Nominations Committee**
- **Sector Chairs Committee**
- **Professional Sector Councils**

Trustee Selection and Training

The Trustee Board is primarily elected from the members of the Society. Exceptions include two Directors of IRTE Services Limited, the Chair of the Membership and Professional Standards Committee, and the President of the Society, who are appointed by invitation based on their experience. The Professional Sectors are represented by a nominated member from each respective Council, with elections held for these Councils. Both the Trustee Board and the Professional Sector Councils regularly review the skills needed and recruitment opportunities. They also have the ability to co-opt key members with the appropriate skills and knowledge to join and contribute to their activities.

Upon taking up their roles, newly elected Trustees receive comprehensive training covering corporate governance, charity law, GDPR, and the Society's policies and procedures. Trustees and members of the Professional Sector Councils adhere to the Society's Code of Conduct. The Trustees confirm that they have complied with the requirements of the Charities Act 2011 and have duly considered the Charity Commission's published general guidance on public benefit.

Risk Management

The Trustees prioritise early identification and mitigation of risks. Key risks monitored in 2024 included membership retention, income stability, and maintaining licenced body status. Controls such as a risk register, strategic planning, and financial audits ensure the Society's resilience.

Remuneration of Key Management Personnel

The Society of Operations Engineers operates as a charitable company governed by its Articles of Association (adopted 2 September 2024). The Articles set out clear boundaries and provisions regarding the remuneration of those involved in the charity's governance and management.

Society of Operations Engineers

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

1. Trustee Remuneration

Directors (i.e. Trustees) are not permitted to receive any remuneration or other financial benefit for their role unless expressly permitted under the Articles.

Permitted exceptions include:

- Reimbursement of reasonable out-of-pocket expenses
- Payment for professional services rendered in a non-directorial capacity, provided strict conflict of interest protocols are followed
- Indemnity insurance cover

Key Management Personnel and Staff Remuneration

The Articles (specifically Article 5.1.9) empower the Society to:

"Employ and remunerate such staff as are necessary for carrying out the work of the Society."

While the Articles permit payment of salaries to non-trustee staff, they do not detail specific procedures for setting remuneration levels.

As such, remuneration for key management personnel (e.g. Executive Director) is typically determined by the Trustee Board or a delegated committee, with the following arrangements likely in place (in line with best practice):

- Benchmarks and Criteria: Market comparisons, sector salary surveys (e.g. ACEVO, NCVO), and internal pay scales are commonly used to ensure fairness and competitiveness.
- Parameters: Remuneration is set to attract and retain talent while reflecting the charity's size, scope, and financial position.
- Oversight: The Trustee Board remains accountable for approving or reviewing any significant changes to senior staff pay, to ensure alignment with charitable purpose and public trust.

Transparency
All remuneration arrangements must comply with charity law and reporting standards. Details of senior staff pay would typically be included in the Society's Annual Report and Accounts, in accordance with the Charities SORP (Statement of Recommended Practice).

Key Activities and Achievements in 2024

Supporting Professional Growth

- Awarded 44 Chartered Engineer registrations, 15 Incorporated Engineer registrations, and 42 Engineering Technician registrations.

- Accredited over 4,000 irtec licenses and launched the pilot phase of the Maintenance Provision Rating Scheme (MPRS).
- Enhanced digital platforms and introduced new webinars and podcasts to deliver CPD and technical guidance.

Industry Collaboration

The SOE actively engaged with stakeholders, including the Department for Transport (DfT), Driver Vehicle Standards Agency (DVSA), and vehicle manufacturers. These partnerships strengthened the Society's role in shaping engineering standards and supporting apprenticeships.

Membership Development

- Steady membership growth with successful campaigns targeting apprentices and key employers.
- Streamlined routes to membership and improved support for Corporate Partners.
- Offered free apprentice memberships to organisations like MAN, Scania, and Stagecoach.

Regional and Volunteer Engagement

- Improved support for regional groups and volunteers through the National Regional Network Change programme, set to launch fully in 2025.
- Acknowledged the invaluable contributions of 250 volunteers who help drive the Society's mission.

Financial Review

The Statement of Financial Activities (SOFA) for the year is set out on page 19 of the financial statements.

- The loss for the year (including losses on investment) is £277,408 compared to the loss last year of £124,517.
- Charitable income of £1,839,955 in 2024 is £31.7k higher than in 2023.
- Advertising revenue continues its downward trend. Investment income totalled £85k (2023: £89k).
- The results for the year to December 2024 before realised and unrealised gains on investments and contribution/loss from the joint venture show an operating loss of £384,645 compared to an operating loss of £239,541 in 2023.
- The loss from the CV show of £67,203 (2023: profit £60,607) results in a deficit position before realised and unrealised gains on investments of £451,849 (2023: loss £178,934).
- The realised and unrealised gains on investments in 2024 of £174,440 (2023: £54,417) gives an overall net movement downwards for the year of £277,408 (2023: loss £124,517).

Society of Operations Engineers

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

Investment powers and policy

The Society's investments are managed by Rathbones Investment Management Limited in accordance with the discretionary management agreement and the agreed investment policy. Rathbones reports quarterly and annually to the Trustee Board. The Trustees recognise there is risk associated with investment in mainstream financial markets and accept this risk in return for the prospect of additional returns over longer periods of time. As such, the Trustees wish to remain largely invested at all times, subject to cash reserves being held as part of the investment management process and to cover liabilities. The investments should be well diversified and include a range of assets including fixed interest stocks, UK shares and overseas shares.

The investment portfolio as at 31 December 2024 was valued at £3,148,417 (2023: £2,936,655) comprising 17% fixed interest funds, 24% equities, 47% overseas investments, and other investments 12%. Absolute returns have been strong with the portfolio returning 8.1% over the year. With such concentrated leadership from the large US technology firms in global indices, relative performance is challenging with the index weighted benchmark rising 10.4%. The portfolio remains ahead of benchmark in the longer term with the portfolio ahead of both the index weighed benchmark and more significantly ahead of the ARC peer group benchmark. The Trustees have reviewed the performance of the investments with the Investment Advisor and are happy to maintain the current investment strategy and will continue to closely monitor performance of the investments in the future.

Trading Company

The Society's wholly owned trading subsidiary, IRTE Services Limited, made a net profit before gift aid of £32,862 (2023: £157,618) from its activities. These activities include IRTE Workshop Accreditation and managing the Commercial Vehicle Show up until September 2024 which is organised in partnership with the Society of Motor Manufacturers and Traders Limited (SMMT) and the Road Haulage Association (RHA).

Group reserves

The reserves policy, which is reviewed annually by the Board is formulated with regard to:

- Forecasts of future income, taking into account the reliability of existing sources and prospects for new sources;
- Forecasts of future expenditure based on planned activities;
- An analysis of any future needs, opportunities, contingencies or risks the effects of which are unlikely to be met out of income if and when they arise; and
- An assessment of the likelihood that any of these future events will arise and the potential consequences of not being able to meet them.

The Group's aim is to maintain sufficient free reserves to cover 18 months total expenditure, the target for 2024 being £4.0m (2023: £3.84m).

At the year end the free reserves which consist unrestricted funds less tangible and intangible fixed assets, totalled £3.58m (2023: £3.77m). The Group did not meet this target for free reserves at the end of 2024.

The current economic crises as evidenced by rising inflation and cost of living increases has reinforced the continual need for closer monitoring of the various income streams, reserves and cash-flow which may result in reserves being utilised in the short term to meet any shortfall in income. The Trustees remain committed to maintaining the current policy but accept that any departure, while necessary, will be temporary until such time as funds are available to rebuild back to the 18 months target level.

Tangible and Intangible fixed assets

The freehold land and building were professionally revalued in January 2006 at approximately £2.1m. The value in use is therefore in excess of the carrying value of £1,337,781 in the financial statements. The movements in fixed assets during the year are set out in note 7 to the financial statements.

The Trustees are minded taking the long-term view that even though investment values have been impacted by current events, the Society has historically been and still is able to operate without the need to dispose of its investments. The Society has no immediate plans to dispose of any of its assets.

Going Concern

Having taken into consideration the risks and challenges facing the Society and weighing them against its assets, reserves and future income streams, the Trustees are confident that the Society can and will continue to operate as a going concern.

Looking Ahead: Priorities for 2025

The SOE will focus on:

- Increasing engagement with apprentices and student members.
- Encouraging diversity and inclusion within the engineering profession.
- Supporting members and volunteers through improved resources and communication.
- Expanding international membership and partnerships.
- Launching the full Maintenance Provision Rating Scheme (MPRS).

Trustee Responsibilities

The Trustees affirm their responsibility for ensuring the Society operates in accordance with its charitable objectives and complies with all legal and regulatory requirements. This includes maintaining accurate financial records and safeguarding the Society's assets.

Society of Operations Engineers

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

Auditor

Crowe U.K. LLP has expressed its willingness to continue as the Society's statutory auditor.

The Directors have taken advantage of the small companies' exemption (section 8.39, small entity exemptions) in the compilation of the financial statements.

Signed on behalf of the Trustees:

H M Seymour (President)

M Sweetmore (Honorary Treasurer)

27 June 2025

Society of Operations Engineers

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOCIETY OF OPERATIONS ENGINEERS

Opinion

We have audited the financial statements of Society of Operations Engineers for the year ended 31 December 2024 which comprise Consolidated Statement of Financial Activities, Consolidated and Company Balance Sheets, Consolidated Cash Flow Statement and notes to the financial statements, including 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 groups and the charitable company's affairs as of 31 December 2024 and of the group's income and expenditure 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 charitable group 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

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the groups or the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Society of Operations Engineers

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOCIETY OF OPERATIONS ENGINEERS

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 during our audit

- the information given in the trustees' report, which includes the directors' 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 directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

Considering the knowledge and understanding of the group and the charitable company and their environment obtained during the audit, we have not identified material misstatements in the directors' report included within the trustees' 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 in preparing the trustees' directors' report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, 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 determine 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 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 have no realistic alternative but to do so.

Auditor's 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 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

Society of Operations Engineers

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOCIETY OF OPERATIONS ENGINEERS

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the groups and the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the group and the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data protection Regulation (GDPR), taxation legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

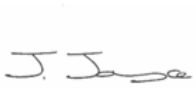
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOCIETY OF OPERATIONS ENGINEERS

company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Janette Joyce
Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Reading.

Date: 10-07-25

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account) for the year ended 31 December 2024

	Notes	Discontinuing Funds 2024 £	Continuing Funds 2024 £	Total Funds 2024 £	Discontinuing Funds 2023 £	Continuing Funds 2023 £	Total Funds 2023 £
Income and endowments from:							
Charitable activities	3	0	1,839,955	1,839,955	0	1,808,250	1,808,250
Other trading activities							
Commercial trading operations	4	259,446	96,806	356,252	328,627	93,953	422,580
Investments		0	84,846	84,846	0	88,660	88,660
Total income		259,446	2,021,607	2,281,053	328,627	1,990,863	2,319,490
Expenditure on:							
Charitable activities: Other	6	0	2,390,423	2,390,423	0	2,215,481	2,215,481
Commercial trading operations (including taxation)	4	214,966	41,221	256,187	279,623	45,946	325,569
Investment management fees		0	19,088	19,088	0	17,981	17,981
Total expenditure		214,966	2,450,732	2,665,698	279,623	2,279,408	2,559,031
Net gains on revaluation and disposal of investments	9	0	174,440	174,440	0	54,417	54,417
Net income/(expenditure)		44,480	(254,685)	(210,205)	49,004	(234,128)	(185,124)
Other recognised gains/ (losses):							
Net (loss)/income from joint ventures	5	(67,203)	0	(67,203)	60,607	0	60,607
Net movement in funds		(22,723)	(254,685)	(277,408)	109,611	(234,128)	(124,517)
Reconciliation of funds:							
Total funds brought forward				5,210,454			5,334,971
Total funds carried forward				4,933,046			5,210,454

The notes on pages 22 to 36 form part of these accounts.

The Statement of Financial Activities has been prepared in accordance with Financial Reporting Standard No 102. All gains and losses recognised in the year are included above.

All funds are unrestricted.

Consolidated and Society Balance Sheets
Company number: 03667147

	Notes	Group 31.12.24 £	Group 31.12.23 £	Society 31.12.24 £	Society 31.12.23 £
Fixed assets					
Tangible assets	7	1,365,047	1,443,890	1,365,047	1,443,890
Intangible assets	8	29,000	0	29,000	0
Investments	9	3,148,417	2,936,665	3,148,517	2,936,765
Investment in joint venture					
Share of net assets	5	0	160,607	0	0
		4,542,464	4,541,162	4,542,564	4,380,655
Current assets					
Debtors	10	190,128	292,015	190,791	350,378
Cash at bank and in hand	11	834,535	1,103,402	524,336	890,164
		1,024,663	1,395,417	715,127	1,240,542
Creditors: amounts falling due within one year	12	(634,081)	(726,125)	(614,845)	(700,943)
Net current assets		390,582	669,292	100,282	539,599
Net assets		4,933,046	5,210,454	4,642,846	4,920,254
Funds					
Unrestricted funds	15				
General		4,933,046	5,210,454	4,920,254	5,044,771
Loss for the year				(277,408)	(124,517)
Total Funds		4,933,046	5,210,454	4,642,846	4,920,254

The notes on pages 22 to 36 form part of these accounts.

The financial statements were approved by the Trustees and authorised for issue on 27 June 2025 and signed on their behalf by:

H Seymour (Jul 9, 2025 15:16 GMT+1)

H Seymour
President

Michael Sweetmore (Jul 2, 2025 20:49 GMT+1)

M Sweetmore
Honorary Treasurer

Statement of Cash Flows for the year ended 31 December 2024

	Notes	Total Funds 2024 £	Total Funds 2023 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities		(247,861)	(184,635)
Cash flows from investing activities:			
Dividends, interest and rents from investments		84,846	88,660
Purchase of property, plant and equipment and intangible assets		(49,453)	(10,881)
Proceeds from sale of investments		814,522	410,728
Purchase of investments		(851,833)	(328,067)
Investment managers fees		(19,088)	(17,981)
Net cash provided by (used in) investing activities		(21,006)	142,459
Cash flows from financing activities:		0	0
Change in cash and cash equivalents in the reporting period		(268,867)	(42,176)
Cash and cash equivalents at the beginning of the reporting period		1,103,402	1,145,578
Cash and cash equivalents at the end of the reporting period		834,535	1,103,402

Reconciliation of net expenditure to net cash flow from operating activities			
Net (expenditure) for the accounting period as per the statement of financial activities		(277,408)	(124,517)
Adjustments for:			
Depreciation charges		99,296	189,527
(Gains) on investments		(174,440)	(54,417)
Dividends, interest and rents from investments		(84,846)	(88,660)
Decrease in investment in joint venture		160,607	43,848
Investment managers fees		19,088	17,981
Decrease/(Increase) in debtors		101,887	(144,795)
Decrease in creditors		(92,045)	(23,602)
Net cash used in operating activities		(247,861)	(184,635)

Analysis of cash and cash equivalents			
Cash in hand		834,535	1,103,402
Total cash and cash equivalents		834,535	1,103,402

Notes to the financial statements for the year ended 31 December 2024

1. Accounting policies

i. Company Information and Objectives

The Society of Operations Engineers is a registered charity (reg. no. 1081753) and Private Company (reg. no. 3667147) which is incorporated and domiciled in the United Kingdom. The address of the registered office is 22 Greencoat Place, London SW1P 1PR.

The company objectives are as follows:
To improve and elevate technical and general understanding, knowledge, skill and competence of persons engaged or desiring to be engaged in operations engineering or any related employment, and the integrity and repute of the profession thereof.

To promote and encourage the advancement of science, technology and practice, and inventions and improvements in the field of operations engineering and any other related branches of engineering, and the dissemination and exchange of ideas, information and knowledge thereof.

By means of the above, but without prejudice to the generality thereof, to promote the safety, efficiency and environmental sustainability of operations engineering to the benefit of the community at large.

ii. Basis of accounting

These financial statements have been prepared in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006 and UK Generally Accepted Practice.

The entity has taken exemption from presenting its unconsolidated profit and loss account under section 408 of Companies Act 2006.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the Society, its subsidiary IRTE Services Limited and dormant subsidiaries (note 21) and include the results of the Society's regional groups and centres on a line by line basis.

The Society's annual share of the profits/losses from its joint venture are included in the Statement of Financial Activites and its share of the net assets are included in the balance sheet.

The Society meets the definition of a public benefit entity under FRS 102.

The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments.

Having assessed the charity's financial position, its plans for the foreseeable future and the risks to which it is exposed, the Trustees are satisfied that it remains appropriate to prepare the financial statements on a going concern basis.

iii. Functional & presentation currency

The functional currency of the charity and its subsidiary is considered to be pounds sterling because this is the currency of the primary economic environment in which the charity operates. The Consolidated Financial Statements are also presented in pounds sterling.

Notes to the financial statements for the year ended 31 December 2024

1. Accounting policies (continued)

iv. Critical accounting judgements and key sources of estimation uncertainty (policy)

In the application of the charity's accounting policies, which are described in notes I, the Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

v. Incoming Resources

All incoming resources from membership, education, events and publications for the year are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

vi. Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to an expenditure group. Salaries are allocated in proportion to the Society's staff time spent on each expenditure group. Support costs are those costs incurred directly in support of the objects of the charity and also allocated to each expenditure group on the basis of staff time. Governance costs are those incurred in connection with the governance of the charity, including compliance with constitutional and statutory requirements. Irrecoverable VAT is written off as incurred.

vii. Depreciation

a. ***Land and buildings***

Depreciation has been charged at 2% on half of the cost of land and buildings, this being the proportion relating to the building only.

` b. ***Other fixed assets***

The following annual rates of depreciation on cost have been applied:

Furniture and fittings	20%
Property improvements	10%
Office equipment	20%
Computers	33%

c. ***Intangible assets***

Digital infrastructure	20%

Notes to the financial statements for the year ended 31 December 2024

1. Accounting policies (continued)

viii. Pension scheme

The Society operates a Group Personal Pension Plan (Group PPP) which is a money purchase scheme. Pension costs are charged to the SOFA, representing a constant percentage of earnings payable by the Society to employee's plans. The Society has also made provision for employees not covered by the Group PPP to take out stakeholder pensions, in order to comply with current legislation.

ix. Publications

As in previous years the postage costs relating to the distribution of the SOE News are included under this heading.

x. Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date. All differences are taken to the SOFA.

xi. Income and expenditure

As permitted by Section 408 of the Companies Act 2006, the income and expenditure of the parent undertaking is not presented as part of these accounts. The deficit of the parent entity pre receipt of Gift Aid from IRTE Services for the period under review was £310,270(2023: £282,135).

xii. Financial instruments

If the charity has any basic financial instruments, they are initially recognised at transaction value and subsequently measured at amortised costs using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade and other creditors.

Investments, including bonds held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

xiii. Gift Aid

Donations to the parent charity are recognised as an expense either when paid or at the date when the company has a legal liability to make the donation payment, if earlier.

2. Taxation

As a registered Charity, the Society is not liable to Corporation Tax on its income.

Notes to the financial statements for the year ended 31 December 2024

3. Income from charitable activities

Activities in furtherance of the charity's objects	Society Year to 31.12.24 £	Society Year to 31.12.23 £
Membership	1,266,549	1,265,844
Education and Events	254,460	238,652
Publications	109,654	127,260
Income from regional groups and centres	15,992	19,372
Room rental and sundry income	193,300	157,122
	1,839,955	**1,808,250**

4. Commercial trading operations

The Society has a subsidiary that has been trading since 11 October 1993 and pays all its profits to The Society of Operations Engineers by gift aid. The principal activity of the Company is to raise funds in order to promote the aims of the Society.

The Society holding in the issued ordinary share capital of £100 is as follows:

Name	Country of Registration	Registration Number	Proportion held 31.12.24	Proportion held 31.12.23
IRTE Services Limited	England and Wales	2854868	100%	100%

A summary of IRTE Services Limited's results are shown below and audited accounts will be filed with the Registrar of Companies at Companies House.

Profit and Loss Account for the year ended 31 December 2024	Year to 31.12.24 £	Year to 31.12.23 £
Turnover	351,013	417,624
Expenditure		
Cost of sales	(248,946)	(317,990)
Administrative expenses	(7,241)	(7,547)
	(256,187)	(325,537)
Operating Profit/(Loss)	94,826	92,087
Interest receivable	5,239	4,956
Profit/(Loss) on ordinary activities	100,065	97,043
Net (Loss)/Income from Joint Venture	(67,203)	60,607
(Loss)/Profit before gift aid and taxation	32,862	157,650
Amount gifted to the society	(32,862)	(157,650)
(Loss)/Profit before taxation	0	0
Taxation	0	(32)
Retained profit for the year	0	(32)

The company incurred corporation tax in the year of Nil (2023: £32). No further provision for corporation tax has been made on the company's profit for the year due to its policy of donating all its tax adjusted profits available for distribution under gift aid to its ultimate parent undertaking within nine months of each year-end date and because the company early implemented FRS 102 para 29.14A.

Notes to the financial statements for the year ended 31 December 2024

4. Commercial trading operations (continued)

Corporation tax computation	2023 £
Corporation tax payable	Nil
Taxable total profits	
Income	
Trading profits	152,407
Non-trage loan relationships	4,956
	157,363
Deductions and reliefs	
Qualifying charitable donations	(157,363)
Taxable total profits	Nil

IRTE Services Limited The aggregate of the assets, liabilities and funds was:	As at 31.12.24 £	As at 31.12.23 £
Assets	347,218	496,577
Liabilities	(56,918)	(206,277)
Funds	290,300	290,300

The costs of the Commercial Vehicle Show LLP management team totalling £212,251 (2023: £275,849) are recharged to IRTE Services Limited by the SOE. One of the tenants occupying office space in the SOE buiding is a firm of solicitors which includes amongst its partners, a director of IRTE Services Limited. The contractual arrangements are at arms length and the tenant pays rent at a commercial rate. The directors of IRTE Services Limited agreed to declare a Gift Aid donation of £32,862 (2023: £157,650).

	At 31.12.24	At 31.12.23
Amount owing by/(to) parent company (included in liabilities)	206	(161,424)

Notes to the financial statements for the year ended 31 December 2024

5. Joint Venture

IRTE Services Limited has a 33.33% interest in the Commercial Vehicle Show Limited Liability Partnership.

Summary financial information of the CV Show LLP	Year to 30 June 2024 Partnership total £	SOE share £
Profit and Loss Account		
Turnover	1,640,061	546,687
Operating (Loss)/Profit	(201,607)	(67,203)
Partners' Asset	300,000	100,000
Balance Sheet	**As at 30 June 2024**	
Current Assets	714,028	238,009
Current Liabilities	(414,028)	(138,009)
Net Assets	300,000	100,000
Represented by:		
Partners' Capital Accounts	300,000	100,000
	300,000	100,000

The Partnership prepares accounts to 30 June and the above extract is therefore from the most recently available accounts.

The Directors gave notice to its other two partners in the Commercial Vehicle Show LLP joint venture, to withdraw from the partnership with effect from 30 September 2024.
The effect of this withdrawl means that IRTE Services will no longer be entitled to a share of the profits from any future shows post September 2024 and will cease to be responsible for the CV show staff for which it charges a management fee.
In November 2024 the Commercial Vehicle Show returned IRTE Services' capital (£100k) in the joint venture net of the combined 2023 profit (£60.6k) and 2024 ((£67.2k)) loss suffered.

Notes to the financial statements for the year ended 31 December 2024

6a. Analysis of charitable expenditure

Year to 31 December 2024	Staff Costs £	Support Costs £	Other Direct Costs £	Total £
Services to engineers	482,211	217,657	22,159	722,027
Regional groups and centres	47,871	21,607	121,011	190,489
Publications	41,400	18,686	386,299	446,385
Education	147,812	66,719	24,538	239,069
Marketing, committees and exhibitions	214,649	96,886	113,006	424,541
Governance	152,747	68,947	146,218	367,912
	1,086,690	**490,502**	**813,231**	**2,390,423**
Year to 31 December 2023 (Prior Year)	**£**	**£**	**£**	**£**
Services to engineers	437,756	252,401	27,720	717,877
Regional groups and centres	24,453	14,099	113,035	151,587
Publications	40,008	23,068	334,534	397,610
Education	109,191	62,957	22,510	194,658
Marketing, committees and exhibitions	168,209	96,986	100,692	365,887
Governance	170,652	98,394	118,816	387,862
	950,269	547,905	717,307	2,215,481

6b. Analysis of support costs

	Premises	Communications and IT	Postage & Printing	Financial Costs	Depreciation	Total
Engineers	58,695	63,692	2,389	48,819	44,062	217,657
Regions	5,827	6,323	237	4,846	4,374	21,607
Publications	5,039	5,468	205	4,191	3,783	18,686
Education	17,992	19,524	732	14,965	13,506	66,719
Marketing/Publicity	26,127	28,352	1,063	21,731	19,613	96,886
Governance	18,592	20,176	757	15,464	13,958	68,947
Total Support	**132,272**	**143,535**	**5,383**	**110,016**	**99,296**	**490,502**
Total Support costs 2023	**135,441**	**125,494**	**5,342**	**92,101**	**189,527**	**547,905**

6c. Governance costs are made up of the following:

Governance costs include audit fees of £26,200 (2023: £24,500), non audit fees of £3,000 (2023: £3,655). All 16 Trustees (including the 7 Directors of IRTE Services Ltd) claim out of pocket expenses in relation to travel and subsistence costs for attendance at meetings and representation events amounting to £28,594 (2023: £44,306); Trustees' and Officers' liability insurance £2,234 (2023: £2,234); remainder is expenditure on legal and other administrative costs and an apportionment of staff time.

Notes to the financial statements for the year ended 31 December 2024

7. Tangible fixed assets

Group and Society	Land and buildings freehold	Computer and other assets	Total
Cost	**£**	**£**	**£**
Cost at 31 December 2023	2,257,845	120,040	2,377,885
Additions	0	20,453	20,453
Fully depreciated and written off	0	0	0
Cost at 31 December 2024	2,257,845	140,493	2,398,338
Depreciation			
Balance at 31 December 2023	832,081	101,914	933,995
Charge for the year	87,983	11,313	99,296
Fully depreciated and written off	0	0	0
Balance at 31 December 2024	920,064	113,227	1,033,291
Net book value at 31 December 2024	1,337,781	27,266	1,365,047
Net book value at 31 December 2023	1,425,764	18,126	1,443,890

8. Intangible fixed assets

Group and Society	Digital Infrastructure
Cost	**£**
Cost at 31 December 2023	449,485
Additions	29,000
Fully depreciated and written off	0
Cost at 31 December 2024	478,485
Depreciation	
Balance at 31 December 2023	449,485
Charge for the year	0
Asset Write downs from previous years	0
Balance at 31 December 2024	449,485
Net book value at 31 December 2024	29,000
Net book value at 31 December 2023	0

Notes to the financial statements for the year ended 31 December 2024

9. Investments	31.12.24	31.12.24	31.12.23	31.12.23
Group	Cost	Market Value	Cost	Market Value
Listed stocks and shares	£	£	£	£
UK Gilts and other fixed interest	535,777	537,352	512,815	532,925
UK Equities	529,639	766,377	640,974	979,578
Alternatives & Hedge Funds	355,586	347,405	452,783	450,075
Overseas investments	1,191,122	1,497,283	740,919	974,087
Investments total	2,612,124	3,148,417	2,347,491	2,936,665

Movements during the year	Year to 31.12.24	Year to 31.12.23
Group	£	£
Market value as at start of year	2,936,665	2,964,910
Purchases during the year	851,833	328,067
Sales at market value prior to disposal	(813,713)	(416,575)
Unrealised (loss)/gain on revaluation	172,352	58,264
Non market transactions	1,280	1,999
Market value as at end of year	3,148,417	2,936,665
Realised gain on disposal of investments	808	(5,846)
Unrealised (loss)/gain on revaluation	172,352	58,264
Gain/(losses) on non market transactions	1,280	1,999
Net gains/(losses) on revaluation and disposal of investments	174,440	54,417

Investments over 5%

There were no investments with a market valuation of over 5% of the total investment valuation.

Society

The Society's investments include a further £100 investment in IRTE Services Limited (see note 4).

10. Debtors	Group		Society	
	31.12.24	31.12.23	31.12.24	31.12.23
	£	£	£	£
Trade debtors (less bad debts)	97,295	186,476	60,770	68,382
Owed by subsidiary undertaking	0	0	32,656	161,424
VAT	20,759	9,936	25,579	29,607
Other debtors	848	4,772	848	134
Prepayments and accrued income	71,226	90,831	70,938	90,831
	190,128	292,015	190,791	350,378

Notes to the financial statements for the year ended 31 December 2024

11. Cash and bank balances

	Group		Society	
	31.12.24	31.12.23	31.12.24	31.12.23
	£	£	£	£
Deposit and current accounts	834,528	1,103,363	524,329	890,125
Cash in hand	7	39	7	39
	834,535	1,103,402	524,336	890,164

12. Creditors: amounts falling due within one year

	Group		Society	
	31.12.24	31.12.23	31.12.24	31.12.23
	£	£	£	£
Subscriptions in advance	391,172	384,296	391,172	384,296
Trade and other creditors	122,217	225,486	116,456	218,229
Social security and other taxes	30,974	29,466	30,974	29,466
VAT	0	0	0	0
Accruals and deferred income	89,718	86,877	76,243	68,952
	634,081	726,125	614,845	700,943

Creditor accruals totalled £ Nil (2023: £Nil). The deferred income includes office rental income from tenants.

	Group		Society	
Subscriptions in advance Reconciliation	31.12.24	31.12.23	31.12.24	31.12.23
Opening balance	384,296	424,456	384,296	424,456
Received in year	1,647,758	1,569,707	1,647,758	1,569,707
Released to the Statement of Financial Activities	(1,640,882)	(1,609,867)	(1,640,882)	(1,609,867)
Total Deferred Income	391,172	384,296	391,172	384,296

	Group		Society	
Deferred Income Reconciliation	31.12.24	31.12.23	31.12.24	31.12.23
Opening balance	5,000	5,000	5,000	5,000
Received in year	329,788	318,370	329,788	318,370
Released to the Statement of Financial Activities	(329,788)	(318,370)	(329,788)	(318,370)
Total Deferred Income	5,000	5,000	5,000	5,000

Notes to the financial statements for the year ended 31 December 2024

13. Capital Commitments and Operating Leases

In 2023, the Group entered into a three year operating lease agreement to hire two office photocopiers. The quarterly payment includes the rental and maintenance of these equipment.

In 2024, the Group entered into a five year operating lease agreement to hire an 'Inventry' system and an one year operating lease for a coffee vending machine. Payments are made quarterly. The outstanding contractual rental payments are summarised below.

	2024	2023
	£	£
Not later than one year	3,948	2,054
Later than one year and not later than five years	4,611	3,082
	8,559	5,136

14. Lessor Accounting

The Group has a number of lease agreements with tenants occupying office space on all floors of 22 Greencoat Place. These agreements are open ended with notice periods of either three or six months required for either party to terminate the agreement. There are no contingent rent clauses in place.

The income from these agreements, should no termination take place over the next five years are summarised below:

	2024	2023
	£	£
Not later than one year	193,715	155,721
Later than one year and not later than five years	853,772	821,641
	1,047,487	977,362

Notes to the financial statements for the year ended 31 December 2024

15. Reserves

	General Reserves	Regional Reserves	Total Reserves
Year to 31 December 2024	**£**	**£**	**£**
Group			
Balance at 31 December 2023	5,122,035	88,419	5,210,454
Surplus/(Deficit) for the year	(275,491)	(1,917)	(277,408)
Balance at 31 December 2024	4,846,544	86,502	4,933,046
Represented by			
Fixed assets	4,542,464	0	4,542,464
Cash at bank and in hand	748,033	86,502	834,535
Other net current assets	(443,953)	0	(443,953)
	4,846,544	86,502	4,933,046
Society			
Balance at 31 December 2023	4,831,835	88,419	4,920,254
Surplus/(Deficit) for the year	(275,491)	(1,917)	(277,408)
Balance at 31 December 2024	4,556,344	86,502	4,642,846
Represented by			
Fixed assets	4,542,564	0	4,542,564
Cash at bank and in hand	437,834	86,502	524,336
Other net current assets	(424,054)	0	(424,054)
	4,556,344	86,502	4,642,846
Year to 31 December 2023			
Group			
Balance at 31 December 2022	5,248,891	86,080	5,334,971
Surplus/(Deficit) for the year	(126,856)	2,339	(124,517)
Balance at 31 December 2023	5,122,035	88,419	5,210,454
Represented by			
Fixed assets	4,541,162	0	4,541,162
Cash at bank and in hand	1,014,983	88,419	1,103,402
Other net current assets	(434,110)	0	(434,110)
	5,122,035	88,419	5,210,454
Society			
Balance at 31 December 2022	4,958,660	86,080	5,044,740
Surplus/(Deficit) for the year	(126,825)	2,339	(124,486)
Balance at 31 December 2023	4,831,835	88,419	4,920,254
Represented by			
Fixed assets	4,380,655	0	4,380,655
Cash at bank and in hand	801,745	88,419	890,164
Other net current assets	(350,565)	0	(350,565)
	4,831,835	88,419	4,920,254

Notes to the financial statements for the year ended 31 December 2024

16. Staff

	Year to 31.12.24 £	Year to 31.12.23 £
The total staff emoluments including taxable benefits for the year:		
Gross salaries permanent and temporary staff	892,906	782,738
Employer's NI	92,420	79,746
Employer's pension	46,503	43,655
Life assurance cover	3,360	3,964
	1,035,189	910,103

Redundancy and termination payments totalling £43,882 (2023: £14,942) were paid during the year.

	2024	2023
Key Management (defined as the senior management team & management team):		
Total emoluments including taxable benefits for the year	578,673	427,494

During the year, payments totalling £600 (2023: £6,000) were paid to Mr J E Eastman (Trustee) as fees in connection with workshop inspections on behalf IRTE Services Ltd. No other payments were made except for out of pocket expenses (see note 6c)

	2024	2023
Average number of employees analysed by function was:		
Charitable expenditure	17	17
Management, administration and support	3	3
CV Show management team	3	4
	23	24

A number of temporary staff were employed during the year to provide additional support in certain departments.

Number of staff whose emoluments (excluding pensions) including taxable benefits from the Society exceeded £60,000:	2024	2023
£60,001 - £70,000		1
£70,001 - £80,000		
£80,001 - £90,000		
£90,001 - £100,000	1	1
£100,000 - £110,000		
£110,000 - £120,000		

The Society's pension contribution for any member of staff whose emoluments exceed £60,000 is paid at the same rate as applicable to all staff eligible to join the group personal pension scheme.

17. Society Pension Arrangements

The Society's contributions made on behalf of eligible employees in the year amounted to £52,706 (2023: £56,037). (Also see note 1(vii) of the accounts.)

Notes to the financial statements for the year ended 31 December 2024

18. The Trustee Board

The Trustee Board consists of 14 members including the chairs of the 5 Professional Sector Councils. No remuneration or other benefit in money or money's worth was given by the Society to any other member of the Board except out of pocket expenses (see note 6c).

19. Volunteers

The Trustees are grateful for the invaluable time and support given by the 200 volunteers who who sit on the Trustee Board, IRTE Services Board, five Professional Sector Councils, the Membership & Professional Standards Committee and Regional Committees.

20. Liability of Members

The Society is a company limited by guarantee and Clause 3.1 of its Articles of Association states that the maximum contribution for which a member can be liable in the event of the Society's liquidation is £10.

21. Dormant Companies

The following companies are subsidiaries of SOE but did not trade during the year:

Name:	Country of Registration:	Registration Number	Reserves 31.12.24 £	Reserves 31.12.23 £
Institution of Plant Engineers	England & Wales	419646	1,000	1,000
Institute of Road Transport Engineers	England & Wales	395541	1,000	1,000

Both of these companies are limited by guarantee.

22. Financial Instruments

At the balance sheet date, the consolidated group held financial assets at amortised cost comprising investment in joint venture, trade debtors, other debtors and cash and cash deposits of £954,893 (2023: £1,468,568) and financial liabilities at amortised cost comprising trade and other creditors and accruals of £242,909 (2023: £341,829).

Total interest income received in respect of financial assets held at amortised cost totalled £14,566 (2023: £13,073). The charity held financial assets at fair value through income or expenditure company investments of £3,148,417 (2023: £2,936,665). Movements in the year through the Statement of Financial Activities comprise dividend income of £70,280 (2023: £75,587) and net gains of £174,440 (2023 £54,417)

Notes to the financial statements for the year ended 31 December 2024

23 Continuing and Discontinued Operations (IRTE Services Limited)

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Year to 31.12.24	Year to 31.12.23	Year to 31.12.24	Year to 31.12.23
	Continuing Operations		Discontinued Operations	
	£	£	£	£
Turnover	93,532	91,475	257,481	326,149
Cost of sales	(36,695)	(42,141)	(212,251)	(275,849)
Gross profit	56,837	49,334	45,230	50,300
Administrative expenses	(4,526)	(3,774)	(2,715)	(3,773)
Operating profit/(loss)	52,311	45,560	42,515	46,527
Interest receivable	3,275	2,478	1,964	2,478
Interest payable	0	0	0	0
Profit on ordinary activities	55,586	48,038	44,479	49,005
Net income from Joint Venture	0	0	(67,203)	60,607
(Loss)/Profit before taxation	55,586	48,038	(22,724)	109,612
Taxation	0	0	0	(32)
(Loss)/Profit after taxation	55,586	48,038	(22,724)	109,580

The above results are all in respect of continuing & discontinued operations.

THE SOCIETY OF OPERATIONS ENGINEERS

England & Wales - Charity number 1081753

Accounts

Society of Operations Engineers

REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2023

THE SOCIETY OF OPERATIONS ENGINEERS

Registered in England
Company No 03667147
Registered Charity No 1081753

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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Registered Office
22 Greencoat Place, London SW1P 1PR
Tel: 020 7630 1111 Website: www.soe.org.uk

The Society is governed by its Memorandum and Articles of Association

VAT Registration No 751 8131 42

A company limited by guarantee.

A Licensed Member of the Engineering Council and the Society for the Environment

THE SOCIETY OF OPERATIONS ENGINEERS

Patron	Sir John Parker GBE

TRUSTEE BOARD

President	JE Eastman EngTech CEnv FSOE FIRTE
Chair	SM Stephenson EngTech FSOE FIRTE (resigned Aug 2023)
Chair	HM Seymour CEng CEnv FSOE FIPlantE FIRTE
Hon. Treasurer	MP Sweetmore Eng Tech MSOE MIRTE
Director International	C Grime EngTech CEnv FSOE FIRTE (resigned Oct 2023)
Director Standards	GM Gilby IEng CEnv FSOE FIPlantE
Director Services	I Jones MSOE MIRTE (resigned Aug 2023)
Director Governance, Risk & Compliance	HM Seymour CEng CEnv FSOE FIPlantE FIRTE
Director IRTE	SS Cheema EngTech FSOE FIRTE (appointed Oct 2021)
Director BES	D Greer IEng REnvP MSOE MBES (appointed Jun 2022)
Director Environment	SG Tweed CEng CEnv FSOE FIPlantE (appointed Jun 2022)
Chair of Membership & professional Standards	IM MacDonald IEng FSOE FIRTE FIPlantE
Director Co-opted	CJ Harries MSOE MIRTE
Director Co-opted	D Rathke MSOE MIRTE (resigned Jan 2023)

MANAGEMENT TEAM

Chief Operating Officer	Daniel Moir BA(Hons)
Head of Business Operations & Company Secretary	Emma Thompson MSOE
CV Show Director	Murray Ellis (until Jan 2023)
CV Show Executive Lead	Susan Kitchener (from Aug 2023)
Head of Finance	Pamela Mansley FCCA
Marketing & Communications Manager	Greeshma Suresh (from Oct 2023)
Membership Manager	Oliver Teasell MSOE MBES
Membership, Registration and Professional Standards Lead	Robin Bates MSOE MBES
I.T. Manager	Gilbert Francourt

PROFESSIONAL ADVISORS

Statutory Auditor	Crowe U.K. LLP 55 Ludgate Hill, London EC4M 7JW
Bankers	HSBC Bank plc 333 Vauxhall Bridge Road, London SW1V 1EJ
Investment Manager	Rathbone Investment Management Limited Port of Liverpool Building, Pier Head, Liverpool L3 1NW
Solicitors	Burlingtons LLP 5 Stratford Place, London W1C 1AX
	Mills & Reeve LLP 1 City Square, Leeds, LS1 2ES

Society of Operations Engineers

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

THE TRUSTEES, who are also Directors of the Society (Company no.3667147), Registered Charity (no. 1081753) for the purposes of the Companies Act, submit their report and the audited financial statements for the year ended 31 December 2023. In preparing the report and financial statements of the Society, the Trustees have adopted the provisions of the *Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.* The Society is governed by its Memorandum and Articles of Association adopted on 12 November 1998 and last amended on 30 June 2022.

The Trustees at the date of this report, who served throughout the year except where otherwise stated, are the members of the Society's Trustee Board listed on page 2.

The Society of Operations Engineers (SOE) is the umbrella organisation incorporating the following sectors IRTE, IPlantE, BES, Environmental and Operations and has a staff team of 24 members.

The membership of the SOE is drawn from a broad set of industrial and technical disciplines. However, the work they undertake is linked to their knowledge regarding inspection, maintenance and safety focused engineering.

There are five professional sectors for members working in particular technical specialisms including, engineer surveyor, plant, road transport and environmental engineering.

New members are invited to join the professional sector that most closely represents their interests and experience. Each professional sector supports its members by providing CPD opportunities, issuing technical guidance and support and ensuring that engineers and technicians have a voice which is clearly heard by government, regulators and business.

OBJECTIVES OF THE SOCIETY

The Society's objectives, as specified in the Memorandum of Association as its objects, are:

A. To improve and elevate technical and general understanding, knowledge, skill and competence of persons engaged or desiring to be engaged in operations engineering or any related employment, and the integrity and repute of the profession thereof.
B. To promote and encourage the advancement of science, technology and practice, and inventions and improvements in the field of operations engineering and any other related branches of engineering, and the dissemination and exchange of ideas, information and knowledge thereof.
C. By means of A and B above, but without prejudice to the generality thereof, to promote the safety, efficiency and environmental sustainability of operations engineering to the benefit of the community at large.

AIMS OF THE SOCIETY

The aims of the Society are to promote, for the public benefit, safe, efficient and sustainable operations engineering to the community at large, through:

- Improving professional education, training, competence and ethics;
- Influencing legislation and design;
- Enhancing public understanding of the contribution of the Society and its membership to the community;
- Promoting the benefits of membership and professional registration.

Society of Operations Engineers

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

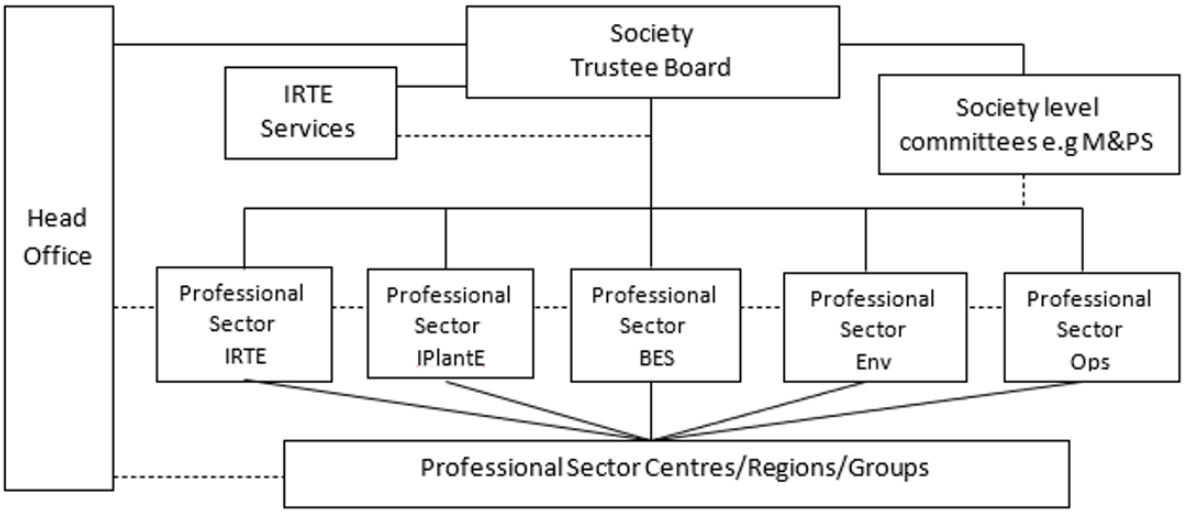
2023 BUSINESS PLAN

In 2023 the Society reinstated many of its pre-pandemic series of events to support the business plan. The key focus was on re-establishing significant relationships, strengthening the Society's interests, securing extensions to both the Environmental and Engineering Council licences and building membership, registration and irtec numbers. The Society continued to utilise online conferencing tools for meetings where possible and extended the webinar series.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Society is governed by a Trustee Board, comprising a maximum of sixteen members, who are responsible for the overall governance of the Society. The Board is supported by its trading subsidiary IRTE Services Limited, the Audit & Risk Committee, the Membership & Professional Standards Committee and the Professional Sector Councils.



The primary role of IRTE Services is as the trading arm of SOE, supporting the Commercial Vehicle Show, irtec and the Workshop Accreditation Scheme. The Membership & Professional Standards Committee is responsible for setting and maintaining professional standards and their role includes monitoring all applications from individuals wishing to join the Society or to register with the Engineering Council or the Society for the Environment. The Professional Sector Councils have responsibility for ensuring that the Society provides relevant support and professional development opportunities for their sector members.

There have been revisions to the Articles of Association to ensure that the Society is modern and relevant as an organisation. Changes have been put in place to enhance communication between the management team and the Trustees. Monthly meetings now take place with Trustee Board members to update on key issues and improve transparency of the Society.

The Trustees monitor the performance of the Society against its business plan, including the management of the risk register. The Trustees also measure the adequacy of the Society's reserves and the financial performance against budget.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

Trustee selection, training and competence

The Trustee Board are principally elected from members of the Society. There are exceptions, for example, the two Directors of IRTE Services Limited, the Chair of the Membership & Professional Standards Committee and the President of the Society, which are managed by invitation and experience. The Professional Sectors are represented by a nominated member from each respective Council including elections to these Councils. The Trustee Board and the Professional Sector Councils conduct a review of skills needed and recruitment opportunities. The Trustee Board and the Professional Sector Councils are also able to co-opt key members with appropriate skills and knowledge to join and contribute their expertise towards the governance of the Society.

Upon taking up their post, newly elected Trustees receive training in areas covering corporate governance, charity law, GDPR in addition to the policies and procedures of the Society. The Trustees and members of the Professional Sector Councils are subject to the Society's Code of Conduct. The Trustees confirm that they have complied with the requirements of the Charities Act 2011 and have due regard to the Charity Commission's published general guidance on public benefit.

In addition to those listed on page 2, the following Trustees also served on the Board during the year:

Shaun Stephenson (resigned in August 2023)
Ian Jones (resigned in August 2023)
Chris Grime (resigned in October 2023)

Staff

The staff team structure has been re-evaluated and benefits from support by key Trustee Board members. The Trustees acknowledge the need to retain and train staff. SOE staff pay and benefits are reviewed annually in line with similar positions in the charity sector.

Volunteers

The Trustees are appreciative of the many members who give of their time to serve on the Professional Sector Councils and Committees both centrally and in the regions. There are some 250 volunteers who serve the Society in a variety of roles and responsibilities. The Trustees are aware that time given by the volunteers is extremely valuable and an important part of the running of the organisation.

Risk Management

The Trustees are responsible for the management of risks faced by the Society and seek early identification, evaluation and effective management and mitigation of key risks. A formal review of the Society's risk management process is undertaken annually. The Trustee Board is responsible for regularly reviewing the risk register and reporting any issues of concern. Other controls include comprehensive strategic planning, budgeting and management reporting, formal lines of reporting and written procedures including authorisation of procurement and approval levels.

The principal risks to the Society, identified by the Trustees are:

- *Loss of membership and licenced body status with the Engineering Council and the Society for the Environment* - with Board approval, the Membership & Professional Standards Committee has continued to initiate new campaigns to improve recruitment and retention of members and to ensure compliance with the Engineering Council and Society for the Environment regulations.
- *Loss of income from the Commercial Vehicle Show* – the post pandemic years have seen no significant recovery in the patronage of the Show leading to declining profit margins.
- *Damage to reputation* - the Board is aware of the need for consistent and clear communications that ensure all members of the Society feel informed and engaged with the activities and strategic focus of the organisation.
- *Loss of charitable status* – the Board and senior staff regularly review and update the Society's activities to ensure they are in-line with the latest Charity Commission requirements and regulations.

Society of Operations Engineers

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

Governance and Patron

Sir John Parker was appointed as Patron of the Society in July 2019 and has represented the Society at a number of events during his tenure.

The Society continues to review its governance documents against the Charity Governance Code and updating its Articles of Association to represent best practice.

The updated Articles of Association brings the Society in line with recognised best practice within the Professional Engineering Institute community and was a key factor leading to the extension of the Society's license with the Engineering Council.

The Society is led by its Trustee Board and supported by cross sector Committees providing detailed oversight and scrutiny of key areas of operation for the Society. Each Sector has its own Professional Sector Council which feeds into these committees and decision-making process (see organisation chart on page 4).

The Trustee Board continues to ensure detailed oversight and scrutiny of key areas of operation for the Society. Terms of reference for the Board include:

- Ensure the preparation of the annual accounts for the Society and IRTE Services Limited to a standard which would satisfy the auditors and provide answers to members at the annual general meeting
- Review the investment portfolio of the Society
- Review and update the risk register
- Oversee the annual insurance renewal

REVIEW OF ACTIVITIES

Upon entering 2023, the Society had wide ranging plans intended to support its Vision.

The Society continued to utilise improved video conferencing platforms to strengthen relationships with key stakeholders and to take part in the development of accreditations and delivery of the CPD programme. The Society continues to work with key partners to enhance their apprenticeship programmes and supported the HGV and Bus & Coach Trailblazer group, providing apprentices with technical information through publications, website updates and assisting them to register with the Engineering Council and the Society for the Environment.

Although the Society is a membership body, the majority of its activities are open to the public and are relevant to a wide array of specialisms and interests related to engineering. By making most of its events and published content available to all, the Society aims to improve standards of training and competence across all operations engineering fields.

Senior members of staff and members of the Trustee Board, the IRTE Services Board and the five Professional Sector Councils attended a number of meetings with the Society's stakeholders in order to raise the profile of the organisation as well as its Professional Sectors. Meetings have been held with Department for Transport (DfT), Institute of Motor Industry (IMI), Logistics UK (Logistics), Road Haulage Association (RHA), The Society of Motor Manufacturers & Traders (SMMT), Garage Equipment Association (GEA), Chartered Institute of Transport (CILT), Driver Vehicle Standards Agency (DVSA), Traffic Commissioners, HSE, Safety Assessment Federation (SAFed), Institute for Apprenticeships, vehicle manufacturers, fellow Professional Engineering Institutions and other key industry stakeholders.

Services to Engineers

By constantly reviewing the quality of information it provides to its members, the Society aims to ensure that standards of engineering in the relevant fields are maintained, ensuring that only competent practitioners serve the public. The Society's digital platforms have been significantly improved to enhance the Society's presence in today's engineering world. The Society has also helped new engineers develop in their chosen field by assessment and accreditation of relevant training courses.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

The Society e-newsletter is circulated to members and non-members that subscribe. Regular coverage in trade and regional publications also continues to increase ensuring that members are aware of the Society's activities.

Engineering Council registration is an important consideration for new members joining the Society as it demonstrates their engineering competency and is recognised throughout the world.

During 2023, the Society registered 45 new Chartered Engineers, 23 Incorporated Engineers and 55 Engineering Technicians with the Engineering Council.

Organisations continue to support Engineering Council registration, and many are now ensuring that all employees are professionally registered at the point of applying for membership. Dedicated support teams are in place to ensure that the process is efficient and onboarding new members from corporate entities is transparent.

The Society was awarded licensed body status by the Society for the Environment in 2011 enabling the Society to award the title of Chartered Environmentalist (CEnv) to suitably qualified individuals. In 2020 the Society was also granted the licence to award Registered Environmental Practitioner (REnvP).

Membership acquisition for the Society remained steady throughout 2023 and financial targets were met. There was a focus on ensuring routes to membership were streamlined and key employers targeted. Many of the promotional campaigns remained digital, ensuring efficient return on investment and allowing for greater tracking and information gathering. The Society will continue to leverage its digital reach and focus on attracting apprentices.

The Society continues to support apprenticeship schemes across relevant sectors including offering free apprentice membership to MAN, Scania and Stagecoach. The organisation also welcomed the return of the full Skills Challenge, with technicians completing at S & B Automotive before the awards ceremony in Birmingham on 7 September 2023.

The Society has accredited a number of courses during the year including courses approved as meeting the academic requirements of the Engineering Council as Incorporated Engineers and Engineering Technicians and also those meeting the Society's academic requirements for Continuing Professional Development (CPD).

A total of 4,303 irtec licences were awarded in 2023 compared to 2,512 the previous year. This significant increase is a testament to the value and relevance of the Society's own accredited scheme.

Regional Groups and Centres

2023 continued to see an improvement to many face to face centre and regional meetings. Although some Centres were unable to restart post pandemic, head office continues to support the network and engage with volunteers to ensure continued growth.

Publications

The Society's has two publications, *Transport Engineer* and *Operations Engineer.* They are designed to help all involved with operations engineering to keep up to date with latest developments. All members receive the publication that is most relevant to them as part of their membership but there are also many non-members who subscribe to these publications. All members also receive a copy of the Society's quarterly newsletter, *SOE News.* Corporate Partners receive copies of these publications to distribute amongst their staff and other key organisations also receive copies on a regular basis.

Education

SOE recognises that, as a Professional Engineering Institution, it has a responsibility greater than simply recruiting competent persons into membership. As an independent body it strives to ensure that the public is aware of the importance of engineering in general and of it being conducted by competent persons. SOE

ensures that members' skills are kept up to date through technical publications, the website, CPD lectures and networking meetings with their peers.

The Society's webinar series has established itself as a key part of the membership offering delivering regular online opportunities for its members to receive CPD recognition.
The Society, through its IRTE Professional Sector continues to work with the Traffic Commissioners and the Driver and Vehicle Standards Agency (DVSA) who support the accreditation of workshops and licensing of technicians. The Society's technician licensing scheme (irtec) and the IRTE Workshop Accreditation Scheme are important in raising standards of vehicle maintenance and compliance across the road transport industry and continue to be sign posted through the DVSA's Guide to Roadworthiness and the Fleet Operators Recognition Scheme (FORS).

The IRTE Professional Sector continues to work with the IMI in developing irtec, with the key objectives of improving industry standards and the competence of technicians working in the industry. The irtec Steering Group meets regularly with the remit of ensuring the irtec scheme continues to comply with industry requirements. Members of the group include representatives from manufacturers, operators, bus companies and training providers.

Fundraising
The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Trading Company Activities
The IRTE Workshop Accreditation Scheme was developed in consultation with industry, vehicle manufacturers and key government agencies to deliver an independent accreditation scheme to regulate and improve industry standards for maintenance providers.

FINANCIAL REVIEW

Results
The Statement of Financial Activities (SOFA) for the year is set out on page 16 of the financial statements. The loss for the year (including losses on investment) is £124,517 compared to the loss last year of £87,842. Charitable income of £1,808,250 in 2023 is £47k lower than in 2022. Since the year end, a marketing campaign in early 2024 has seen 75 lapsed members rejoining the Society. In addition, there have been increases in the number workshop accreditation inspections and irtec registrants. Advertising revenue continues its downward trend and plans are afoot to mitigate the cost of producing the two in-house magazines, notably by only ceasing the production of the paper version of Transport Engineer. Investment income totalled £89k (2022: £75k).

The results for the year to December 2023 show an operating loss of £239,541 compared to an operating loss of £164,358 in 2022. By absorbing its share of the profit from the CV show of £60,607 (2022: £302,198) the overall position is a deficit of £178,934 (2022: surplus £137,840). The realised and unrealised gains on investments in 2023 of £54,417 (2022: £225,682 loss) gives an overall net movement downwards for the year of £124,517 (2022: loss £87,842).

Investment powers and policy
The Society's investments are managed by Rathbones Investment Management Limited in accordance with the discretionary management agreement and the agreed investment policy. Rathbones reports quarterly and annually to the Trustee Board. The Trustees recognise there is risk associated with investment in mainstream financial markets and accept this risk in return for the prospect of additional returns over longer periods of time. As such, the Trustees wish to remain largely invested at all times, subject to cash reserves being held as part of the investment management process and to cover liabilities. The investments should be well diversified and include a range of assets including fixed interest stocks, UK shares and overseas shares.

The investment portfolio as at 31 December 2023 was valued at £2,936,665 (2022: £2,964,910) comprising 18% fixed interest funds, 34% UK equities, 33% overseas investments, and other investments 15%. The markets remain challenging and continues to affect the Society's investments. The total return from the portfolio

was an increase of 4.6% over the year compared with a increase of 8.5% in the WM (Constrained by income) benchmark. The Trustees have reviewed the performance of the investments with the Investment Advisor and are happy to maintain the current investment strategy and will continue to closely monitor performance of the investments in the future.

Trading Company

The Society's wholly owned trading subsidiary, IRTE Services Limited, made a net profit before gift aid but after taxation of £157,618 (2022: £375,595) from its activities. These activities include IRTE Workshop Accreditation and managing the Commercial Vehicle Show which is organised in partnership with the Society of Motor Manufacturers and Traders Limited (SMMT) and the Road Haulage Association (RHA). This profit from trading activities includes the accrued income from the 2023 CV show. This income remains undistributed as the partners are aware that the changes to the 2024 show may require additional cash resources.

IRTE Services has since given notice to its other two partners in the Commercial Vehicle Show LLP joint venture, of its intention to withdraw from the partnership with effect from 30 September 2024. As a result, IRTE Services will no longer be entitled to a share of the profits from any future show after this date and will cease to be responsible for the CV Show staff for which it charges a management fee.

The trustees are mindful of the implications of this withdrawal and have considered the financial effect that of the loss of this income stream on the finances of IRTE Services and the Group as a whole. They are confident that IRTE Services will continue to be viable and operate as a going concern in the foreseeable future.

Group reserves

The reserves policy, which is reviewed annually by the Board is formulated with regard to:

- Forecasts of future income, taking into account the reliability of existing sources and prospects for new sources;
- Forecasts of future expenditure based on planned activities;
- An analysis of any future needs, opportunities, contingencies or risks the effects of which are unlikely to be met out of income if and when they arise; and
- An assessment of the likelihood that any of these future events will arise and the potential consequences of not being able to meet them.

The Group's aim is to maintain sufficient free reserves to cover 18 months total expenditure, the target for 2023 being £3.84m (2022: £3.73m).At the year end the free reserves which consist unrestricted funds less tangible fixed assets, totalled £3.77m (2022: £3.71m). The Group did not meet this target for free reserves at the end of 2023.

The current economic crises as evidenced by rising inflation and cost of living increases has reinforced the continual need for closer monitoring of the various income streams, reserves and cash-flow which may result in reserves being utilised in the short term to meet any shortfall in income. The Trustees remain committed to maintaining the current policy but accept that any departure, while necessary, will be temporary until such time as funds are available to rebuild back to the 18 months target level.

Tangible and Intangible fixed assets

The freehold land and building were professionally revalued in January 2006 at approximately £2.1m. The value in use is therefore in excess of the carrying value of £1,425,764 in the financial statements. The movements in fixed assets during the year are set out in note 7 to the financial statements.

The Trustees are minded to take the long term view that even though investment values have been impacted by current events, the Society has historically been and still is able to operate without the need to dispose of its investments. The Society has no immediate plans to dispose of any of its assets.

Going Concern

Having taken into consideration the risks and challenges facing the Society and weighing them against its assets, reserves and future income streams, the Trustees are confident that the Society can and will continue to operate as a going concern.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

LOOKING FORWARD

In 2024, the Society will continue to focus on its charitable objectives and the supporting goals of its business plan that include the delivery of:

- Greater engagement with existing and potential apprentice and student members
- Greater membership diversity
- Better support for existing and potential members
- Improved volunteer support and engagement
- Strengthening and developing the professional sectors
- Financial stability and good governance
- Revised and updated governance documents
- A bigger Commercial Vehicle Show at the NEC in April 2024, on behalf of the Commercial Vehicle Show LLP

The Society remains focused on delivering the long-term strategic aims of its 2025 vision that include:

- Addressing the skills gap
- Encouraging diversity in engineering
- Engaging apprentice and student members
- Engaging with volunteers
- International growth
- Membership growth
- Promoting membership and registration

Statement of Trustees' responsibilities

The Trustees (who are also directors of the Society of Operations Engineers for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group 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;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

Society of Operations Engineers

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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

The following statements have been affirmed by each of the Trustees of the charitable company:

- So far as each Trustee is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- Each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITOR

Crowe U.K. LLP has indicated its willingness to be re-appointed as the statutory auditor.

Signed on behalf of the Trustees by:

H M Seymour
Chair

M Sweetmore
Hon. Treasurer

Date: 23rd August 2024

Society of Operations Engineers

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOCIETY OF OPERATIONS ENGINEERS

Opinion

We have audited the financial statements of Society of Operations Engineers for the year ended 31 December 2023 which comprise Consolidated Statement of Financial Activities, Consolidated and Company Balance Sheets, Consolidated Cash Flow Statement and notes to the financial statements, including 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 the charitable company's affairs as of 31 December 2023 and of the group's income and expenditure 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 charitable group 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

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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 this gives rise to a material misstatement in the

financial statements themselves. 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 during our audit

- the information given in the trustees' report, which includes the directors' 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 directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 in preparing the trustees' directors' report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, 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 determine 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 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 have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOCIETY OF OPERATIONS ENGINEERS

Auditor's 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 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the group's and the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the group and the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data protection Regulation (GDPR), taxation legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

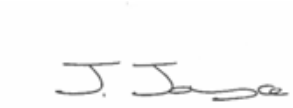
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the

financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected o detect non-compliance with all laws and regulations.

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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Janette Joyce
Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Reading

Date: 3 September 2024

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account) for the year ended 31 December 2023

	Notes	Total Funds 2023 £	Total Funds 2022 £
Income and endowments from:			
Charitable activities	**3**	1,808,250	1,855,171
Other trading activities			
Commercial trading operations	**4**	422,580	390,500
Investments		88,660	75,352
Total income		2,319,490	2,321,023
Expenditure on:			
Charitable activities:	**6**	2,215,481	2,150,230
Other			
Commercial trading operations (including taxation)	**4**	325,569	317,103
Investment management fees		17,981	18,048
Total expenditure		2,559,031	2,485,381
Net gains/(losses) on revaluation and disposal of investments	**9**	54,417	(225,682)
Net income/(expenditure)		(185,124)	(390,040)
Other recognised gains/(losses):			
Net (loss)/income from joint ventures	**5**	60,607	302,198
Net movement in funds		(124,517)	(87,842)
Reconciliation of funds:			
Total funds brought forward		5,334,971	5,422,813
Total funds carried forward		5,210,454	5,334,971

The notes on pages 19 to 30 form part of these accounts.

The Statement of Financial Activities has been prepared in accordance with Financial Reporting Standard No 102. All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

All funds are unrestricted.

Consolidated and Society Balance Sheets

	Notes	Group 31.12.23 £	Group 31.12.22 £	Society 31.12.23 £	Society 31.12.22 £
Fixed assets					
Tangible assets	**7**	1,443,890	1,532,172	1,443,890	1,532,172
Intangible assets	**8**	0	90,364	0	90,364
Investments	**9**	2,936,665	2,964,910	2,936,765	2,965,010
Investment in joint venture					
Share of net assets	**5**	160,607	204,455	0	0
		4,541,162	4,791,901	4,380,655	4,587,546
Current assets					
Debtors	**10**	292,015	147,220	350,378	445,464
Cash at bank and in hand	**11**	1,103,402	1,145,578	890,164	731,654
		1,395,417	1,292,798	1,240,542	1,177,118
Creditors: amounts falling due within one year	**12**	(726,125)	(749,727)	(700,943)	(719,924)
Net current assets		669,292	543,071	539,599	457,194
Net assets		5,210,454	5,334,972	4,920,254	5,044,740
Funds					
Unrestricted funds	**15**				
General		4,920,154	5,044,640	5,044,771	5,132,582
Subsidiary trading		290,300	290,332	-	-
Profit for the year				(124,517)	(87,842)
Total Funds		5,210,454	5,334,972	4,920,254	5,044,740

The notes on pages 19 to 30 form part of these accounts.

The financial statements on pages 16 to 30 were approved by the Trustees and authorised for issue on 23 August 2024 and signed on their behalf by:

H Seymour
President

M Sweetmore
Honorary Treasurer

Statement of Cash Flows for the year ended 31 December 2023

	Notes	Total Funds 2023 £	Total Funds 2022 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities		(184,635)	(36,777)
Cash flows from investing activities:			
Dividends, interest and rents from investments		88,660	75,352
Purchase of property, plant and equipment		(10,881)	(8,430)
Proceeds from sale of investments		410,728	391,056
Purchase of investments		(328,067)	(490,004)
Investment managers fees		(17,981)	(18,048)
Net cash provided by (used in) investing activities		142,459	(50,074)
Cash flows from financing activities:		0	0
Change in cash and cash equivalents in the reporting period		(42,176)	(86,851)
Cash and cash equivalents at the beginning of the reporting period		1,145,578	1,232,429
Cash and cash equivalents at the end of the reporting period		1,103,402	1,145,578

Reconciliation of net income/(expenditure to net cash flow from operating activities

Net income/(expenditure) for the accounting period as per the statement of financial activities	(124,517)	(87,842)
Adjustments for:		
Depreciation charges	189,527	189,796
(Gains)/Losses on investments	(54,417)	225,682
Dividends, interest and rents from investments	(88,660)	(75,352)
Decrease/(Increase) in investment in joint venture	43,848	(104,455)
Investment managers fees	17,981	18,048
Decrease/(Increase) in debtors	(144,795)	(18,075)
Increase/(decrease) in creditors	(23,602)	(184,579)
Net cash provided by (used in) operating activities	(184,635)	(36,777)

Analysis of cash and cash equivalents

Cash in hand	1,103,402	1,145,578
Total cash and cash equivalents	1,103,402	1,145,578

Notes to the financial statements for the year ended 31 December 2023

1. Accounting policies

i. Company Information and Objectives

The Society of Operations Engineers is a registered charity (reg. no. 1081753) and company (reg. no. 3667147) which is incorporated and domiciled in the United Kingdom. The address of the registered office is 22 Greencoat Place, London SW1P 1PR

To improve and elevate technical and general understanding, knowledge, skill and competence of persons engaged or desiring to be engaged in operations engineering or any related employment, and the integrity and repute of the profession thereof.

To promote and encourage the advancement of science, technology and practice, and inventions and improvements in the field of operations engineering and any other related branches of engineering, and the dissemination and exchange of ideas, information and knowledge thereof.

By means of the above, but without prejudice to the generality thereof, to promote the safety, efficiency and environmental sustainability of operations engineering to the benefit of the community at large.

ii. Basis of accounting

These financial statements have been prepared in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006 and UK Generally Accepted Practice.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the Society, its subsidiary IRTE Services Limited and dormant subsidiaries (note 21) and include the results of the Society's regional groups and centres on a line by line basis.

The Society's annual share of the profits/losses from its joint venture are included in the Statement of Financial Activites and its share of the net assets are included in the balance sheet.

The Society meets the definition of a public benefit entity under FRS 102.

The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments.

Having assessed the charity's financial position, its plans for the foreseeable future and the risks to which it is exposed, the trustees are satisfied that it remains appropriate to prepare the financial statements on a going concern basis.

iii. Functional & presentation currency

The functional currency of the charity and its subsidiary is considered to be pounds sterling because this is the currency of the primary economic environment in which the charity operates. The consolidated financial statements are also presented in pounds sterling.

Notes to the financial statements for the year ended 31 December 2023

1. Accounting policies (continued)

iv. Critical accounting judgements and key sources of estimation uncertainty (policy)

In the application of the charity's accounting policies, which are described in notes I, the Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

v. Incoming Resources

All incoming resources from membership, education, events and publications for the year are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

vi. Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to an expenditure group. Salaries are allocated in proportion to the Society's staff time spent on each expenditure group. Support costs are those costs incurred directly in support of the objects of the charity and also allocated to each expenditure group on the basis of staff time. Governance costs are those incurred in connection with the governance of the charity, including compliance with constitutional and statutory requirements. Irrecoverable VAT is written off as incurred.

vii. Depreciation

a. ***Land and buildings***

Depreciation has been charged at 2% on half of the cost of land and buildings, this being the proportion relating to the building only.

` b. ***Other fixed assets***

The following annual rates of depreciation on cost have been applied:

Furniture and fittings	20%
Property improvements	10%
Office equipment	20%
Computers	33%

c. ***Intangible assets***

Digital infrastructure	20%

Assets over the value of £1,000 are capitalised.

THE SOCIETY OF OPERATIONS ENGINEERS

Notes to the financial statements for the year ended 31 December 2023

1. Accounting policies (continued)

viii. Pension scheme

The Society operates a Group Personal Pension Plan (Group PPP) which is a money purchase scheme. Pension costs are charged to the SOFA, representing a constant percentage of earnings payable by the Society to employee's plans. The Society has also made provision for employees not covered by the Group PPP to take out stakeholder pensions, in order to comply with current legislation.

ix. Publications

As in previous years the postage costs relating to the distribution of the SOE News are included under this heading.

x. Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date. All differences are taken to the SOFA.

xi. Income and expenditure

As permitted by Section 408 of the Companies Act 2006, the income and expenditure of the parent undertaking is not presented as part of these accounts. The deficit of the parent for the period under review was £282,135.

xii. Financial instruments

If the charity has any basic financial instruments, they are initially recognised at transaction value and subsequently measured at amortised costs using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade and other creditors.

Investments, including bonds held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

xiii. Gift Aid

Donations to the parent charity are recognised as an expense either when paid or at the date when the company has a legal liability to make the donation payment, if earlier.

2. Taxation

As a registered Charity, the Society is not liable to Corporation Tax on its income.

Notes to the financial statements for the year ended 31 December 2023

3. Income from charitable activities

Activities in furtherance of the charity's objects	Society Year to 31.12.23 £	Society Year to 31.12.22 £
Membership	1,265,844	1,302,483
Education and Events	238,652	225,709
Publications	127,260	146,001
Income from regional groups and centres	19,372	7,049
Room rental and sundry income	157,122	173,929
	1,808,250	**1,855,171**

4. Commercial trading operations

The Society has a subsidiary that has been trading since 11 October 1993 and pays all its profits to The Society of Operations Engineers by gift aid. The principal activity of the Company is to raise funds in order to promote the aims of the Society.

The Society holding in the issued ordinary share capital of £100 is as follows:

Name	Country of Registration	Registration Number	Proportion held 31.12.23	Proportion held 31.12.22
IRTE Services Limited	England and Wales	2854868	100%	100%

A summary of IRTE Services Limited's results are shown below and audited accounts will be filed with the Registrar of Companies at Companies House.

Profit and Loss Account for the year ended 31 December 2023	Year to 31.12.23 £	Year to 31.12.22 £
Turnover	417,624	389,917
Expenditure		
Cost of sales	(317,990)	(309,943)
Administrative expenses	(7,547)	(7,160)
	(325,537)	(317,103)
Operating Profit/(Loss)	92,087	72,814
Interest receivable	4,956	583
Profit/(Loss) on ordinary activities	97,043	73,397
Net (Loss)/Income from Joint Venture	60,607	302,198
(Loss)/Profit before gift aid and taxation	157,650	375,595
Amount gifted to the society	(157,650)	(307,071)
(Loss)/Profit before taxation	0	68,524
Taxation	(32)	0
Retained profit for the year	(32)	68,524

The company incurred corporation tax in the year of £31.92 (2022: £Nil). No further provision for corporation tax has been made on the company's profit for the year due to its policy of donating all its tax adjusted profits available for distribution under gift aid to its ultimate parent undertaking within nine months of each year-end date and because the company early implemented FRS 102 para 29.14A.

Notes to the financial statements for the year ended 31 December 2023

4. Commercial trading operations (continued)

IRTE Services Limited The aggregate of the assets, liabilities and funds was:	As at 31.12.23 £	As at 31.12.22 £
Assets	496,577	638,117
Liabilities	(206,277)	(347,785)
Funds	290,300	290,332

The costs of the Commercial Vehicle Show LLP management team totalling £275,849 (2022: £278,998) are recharged to IRTE Services Limited by the SOE. One of the tenants occupying office space in the SOE buiding is a firm of solicitors which includes amongst its partners, a director of IRTE Services Limited. The contractual arrangements are at arms length and the tenant pays rent at a commercial rate. The directors of IRTE Services Limited agreed to declare a Gift Aid donation of £157,650 (2022: £307,071).

	At 31.12.23	At 31.12.22
Amount owing by/(to) parent company (included in liabilities)	(161,424)	(307,796)

5. Joint Venture

IRTE Services Limited has a 33.33% interest in the Commercial Vehicle Show Limited Liability Partnership.

Summary financial information of the CV Show LLP	Year to 30 June 2023 Partnership total £	 SOE share £
Profit and Loss Account		
Turnover	1,688,268	562,756
Operating (Loss)/Profit	181,825	60,607
Interest receivable	0	0
Partners' Asset	300,000	100,000
Balance Sheet	As at 30 June 2023	
Current Assets	602,530	200,842
Current Liabilities	(120,705)	(40,235)
Net Assets	481,825	160,607
Represented by:		
Partners' Capital Accounts	300,000	100,000
Partners' Current Accounts	181,825	60,607
	481,825	160,607

The Partnership prepares accounts to 30 June and the above extract is therefore from the most recently available accounts.

Notes to the financial statements for the year ended 31 December 2023

6a. Analysis of charitable expenditure

Year to 31 December 2023	Staff Costs £	Support Costs £	Other Direct Costs £	Total £
Services to engineers	437,756	252,401	27,720	717,877
Regional groups and centres	24,453	14,099	113,035	151,587
Publications	40,008	23,068	334,534	397,610
Education	109,191	62,957	22,510	194,658
Marketing, committees and exhibitions	168,209	96,986	100,692	365,887
Governance	170,652	98,394	118,816	387,862
	950,269	**547,905**	**717,307**	**2,215,481**
Year to 31 December 2022 (Prior Year)	**£**	**£**	**£**	**£**
Services to engineers	444,215	242,393	34,829	721,437
Regional groups and centres	29,066	15,861	102,479	147,406
Publications	40,035	21,846	329,722	391,603
Education	93,981	51,282	17,161	162,424
Marketing, committees and exhibitions	202,442	110,466	114,358	427,266
Governance	147,262	80,356	72,476	300,094
	957,001	522,204	671,025	2,150,230

6b. Analysis of support costs

	Premises	Communications and IT	Postage & Printing	Financial Costs	Depreciation	Total
Engineers	62,393	57,811	2,461	42,427	87,308	252,400
Regions	3,485	3,229	137	2,370	4,877	14,098
Publications	5,702	5,283	225	3,878	7,979	23,067
Education	15,563	14,420	614	10,583	21,778	62,958
Marketing/Publicity	23,975	22,214	946	16,303	33,549	96,987
Governance	24,323	22,537	959	16,540	34,036	98,395
Total Support	**135,441**	**125,494**	**5,342**	**92,101**	**189,527**	**547,905**
Total Support costs 2022	**104,221**	**145,597**	**5,440**	**77,150**	**189,796**	**522,204**

6c. Governance costs are made up of the following:

Governance costs include audit fees of £24,500 (2022: £22,500), non audit fees of £3,655 (2022: £8,260). All 16 Trustees (including the 7 Directors of IRTE Services Ltd) claim out of pocket expenses in relation to travel and subsistence costs for attendance at meetings and representation events amounting to £44,306 (2022: £15,938); Trustees' and Officers' liability insurance £2,234 (2022: £2,128); remainder is expenditure on legal and other administrative costs and an apportionment of staff time.

Notes to the financial statements for the year ended 31 December 2023

7. Tangible fixed assets

Group and Society	Land and buildings freehold	Computer and other assets	Total
Cost	**£**	**£**	**£**
Cost at 31 December 2022	2,257,845	109,159	2,367,004
Additions	0	10,881	10,881
Fully depreciated and written off	0	0	0
Cost at 31 December 2023	2,257,845	120,040	2,377,885
Depreciation			
Balance at 31 December 2022	744,098	90,734	834,832
Charge for the year	87,983	11,180	99,163
Fully depreciated and written off	0	0	0
Balance at 31 December 2023	832,081	101,914	933,995
Net book value at 31 December 2023	1,425,764	18,126	1,443,890
Net book value at 31 December 2022	1,513,747	18,425	1,532,172

8. Intangible fixed assets

Group and Society	Digital Infrastructure
Cost	**£**
Cost at 31 December 2022	449,485
Additions	0
Fully depreciated and written off	0
Cost at 31 December 2023	449,485
Depreciation	
Balance at 31 December 2022	359,121
Charge for the year	90,364
Asset Write downs from previous years	0
Balance at 31 December 2023	449,485
Net book value at 31 December 2023	0
Net book value at 31 December 2022	90,364

Notes to the financial statements for the year ended 31 December 2023

9. Investments

Group	31.12.23 Cost	31.12.23 Market Value	31.12.22 Cost	31.12.22 Market Value
Listed stocks and shares	**£**	**£**	**£**	**£**
UK Gilts and other fixed interest	512,815	532,925	393,452	389,075
UK Equities	640,974	979,578	668,387	1,023,787
Alternatives & Hedge Funds	452,783	450,075	530,696	561,614
Overseas investments	740,919	974,087	786,865	990,434
Investments total	2,347,491	2,936,665	2,379,400	2,964,910

Movements during the year Group	Year to 31.12.23 £	Year to 31.12.22 £
Market value as at start of year	2,964,910	3,091,643
Purchases during the year	328,067	490,004
Sales at market value prior to disposal	(416,575)	(392,504)
Unrealised (loss)/gain on revaluation	58,264	(224,342)
Non market transactions	1,999	109
Market value as at end of year	2,936,665	2,964,910
Realised gain on disposal of investments	(5,846)	(1,450)
Unrealised (loss)/gain on revaluation	58,264	(224,341)
Gain/(losses) on non market transactions	1,999	109
Net gains/(losses) on revaluation and disposal of investments	54,417	(225,682)

Investments over 5%

The following investments have a market valuation of over 5% of the total investment valuation:
JP Morgan Asset Mgrs (UK) US Equity Income Hedged £172,207 (5.9%)

Society

The Society's investments include a further £100 investment in IRTE Services Limited (see note 4).

10. Debtors

	Group		Society	
	31.12.23	31.12.22	31.12.23	31.12.22
	£	£	£	£
Trade debtors (less bad debts)	186,476	73,594	68,382	45,809
Owed by subsidiary undertaking	0	0	161,424	307,796
VAT	9,936	0	29,607	18,234
Other debtors	4,772	0	134	0
Prepayments and accrued income	90,831	73,626	90,831	73,625
	292,015	147,220	350,378	445,464

Notes to the financial statements for the year ended 31 December 2023

11. Cash and bank balances

	Group		Society	
	31.12.23	31.12.22	31.12.23	31.12.22
	£	£	£	£
Deposit and current accounts	1,103,363	1,145,575	890,125	731,651
Cash in hand	39	3	39	3
	1,103,402	1,145,578	890,164	731,654

12. Creditors: amounts falling due within one year

	Group		Society	
	31.12.23	31.12.22	31.12.23	31.12.22
	£	£	£	£
Subscriptions in advance	384,296	424,456	384,296	424,456
Trade and other creditors	225,486	193,236	218,229	188,452
Social security and other taxes	29,466	42,765	29,466	42,765
VAT	0	2,921	0	0
Accruals and deferred income	86,877	86,349	68,952	64,251
	726,125	749,727	700,943	719,924

Creditor accruals totalled £ Nil (2022: £Nil). The deferred income includes office rental income from tenants.

13. Capital Commitments and Operating Leases

During 2023, the Group entered into a three year operating lease agreement to hire two office photocopiers. The quarterly payment includes the rental and maintenance of these equipment. The outstanding contractual rental payments at year end totalled £5,136 (2022: £2,626)

14. Lessor Accounting

The Group has a number of lease and licence to occupy agreements with tenants occupying office space on the ground and second floors of 22 Greencoat Place. These agreements are open ended with notice periods of either three (for licences to occupy) or six (for leases) months required for either party to terminate the agreement.

The annual income from these agreements, should no termination take place is £155,721 (2022: £153,988)

Notes to the financial statements for the year ended 31 December 2023

15. Reserves

	General Reserves £	Regional Reserves £	Total Reserves £
Year to 31 December 2023			
Group			
Balance at 31 December 2022	5,248,891	86,080	5,334,971
Surplus/(Deficit) for the year	(126,856)	2,339	(124,517)
Balance at 31 December 2023	5,122,035	88,419	5,210,454
Represented by			
Fixed assets	4,541,162	0	4,541,162
Cash at bank and in hand	1,014,983	88,419	1,103,402
Other net current assets	(434,110)	0	(434,110)
	5,122,035	88,419	5,210,454
Society			
Balance at 31 December 2022	4,958,660	86,080	5,044,740
Surplus/(Deficit) for the year	(126,825)	2,339	(124,486)
Balance at 31 December 2023	4,831,835	88,419	4,920,254
Represented by			
Fixed assets	4,380,655	0	4,380,655
Cash at bank and in hand	801,745	88,419	890,164
Other net current assets	(350,565)	0	(350,565)
	4,831,835	88,419	4,920,254
Year to 31 December 2022			
Group			
Balance at 31 December 2021	5,346,648	76,164	5,422,812
Surplus/(Deficit) for the year	(97,757)	9,916	(87,841)
Balance at 31 December 2022	5,248,891	86,080	5,334,971
Represented by			
Fixed assets	4,687,446	0	4,687,446
Cash at bank and in hand	1,059,498	86,080	1,145,578
Other net current assets	(498,053)	0	(498,053)
	5,248,891	86,080	5,334,971
Society			
Balance at 31 December 2021	5,124,942	76,164	5,201,106
Surplus/(Deficit) for the year	(166,282)	9,916	(156,366)
Balance at 31 December 2022	4,958,660	86,080	5,044,740
Represented by			
Fixed assets	4,587,546	0	4,587,546
Cash at bank and in hand	645,574	86,080	731,654
Other net current assets	(274,460)	0	(274,460)
	4,958,660	86,080	5,044,740

Notes to the financial statements for the year ended 31 December 2023

16. Staff

	Year to 31.12.23 £	Year to 31.12.22 £
The total staff emoluments including taxable benefits for the year:		
Gross salaries permanent and temporary staff	782,738	793,279
Employer's NI	79,746	86,806
Employer's pension	43,655	45,194
Life assurance cover	3,964	4,334
	910,103	929,613

Redundancy and termination payments totalling £14,942 (2022: £30,623) were paid during the year.

	2023	2022
Key Management (defined as the senior management team):		
Total emoluments including taxable benefits for the year	427,494	494,136

During the year, payments totalling £6,000 (2022: £300) were paid to Mr J E Eastman (Trustee) as fees in connection with workshop inspections on behalf IRTE Services Ltd. No other payments were made except for out of pocket expenses (see note 6c).

	2023	2022
Average number of employees analysed by function was:		
Charitable expenditure	17	17
Management, administration and support	3	2
CV Show management team	4	4
	24	23

A number of temporary staff were employed during the year to provide additional support in certain departments.

Number of staff whose emoluments (excluding pensions) including taxable benefits from the Society exceeded £60,000:	2023	2022
£60,001 - £70,000	1	1
£70,001 - £80,000		
£80,001 - £90,000		
£90,001 - £100,000	1	1
£100,000 - £110,000		
£110,000 - £120,000		

The Society's pension contribution for any member of staff whose emoluments exceed £60,000 is paid at the same rate as applicable to all staff eligible to join the group personal pension scheme.

17. Society Pension Arrangements

The Society's contributions made on behalf of eligible employees in the year amounted to £56,037 (2022: £60,998). (Also see note 1(vii) of the accounts.)

Notes to the financial statements for the year ended 31 December 2023

18. The Council of Management

The Trustee Board consists of 16 members including the chairs of the 5 Professional Sector Councils. No remuneration or other benefit in money or money's worth was given by the Society to any other member of the Board except out of pocket expenses (see note 6c).

19. Volunteers

The Trustees are grateful for the invaluable time and support given by the 200 volunteers who who sit on the Trustee Board, IRTE Services Board, five Professional Sector Councils, the Membership & Professional Standards Committee and Regional Committees.

20. Liability of Members

The Society is a company limited by guarantee and Clause 8 of its Memorandum of Association states that the maximum contribution for which a member can be liable in the event of the Society's liquidation is £10.

21. Dormant Companies

The following companies are subsidiaries of SOE but did not trade during the year:

Name:	Country of Registration:	Registration Number	Reserves 31.12.23 £	Reserves 31.12.22 £
Institution of Plant Engineers	England & Wales	419646	1,000	1,000
Institute of Road Transport Engineers	England & Wales	395541	1,000	1,000

Both of these companies are limited by guarantee.

22. Financial Instruments

At the balance sheet date, the consolidated group held financial assets at amortised cost comprising investment in joint venture, trade debtors, other debtors and cash and cash deposits of £1,468,568 (2022: £1,431,035) and financial liabilities at amortised cost comprising trade and other creditors and accruals of £341,829 (2022: £325,271).

Total interest income received in respect of financial assets held at amortised cost totalled £13,073 (2022: £2,071). The charity held financial assets at fair value through income or expenditure company investments of £2,936,665 (2022: £2,964,910). Movements in the year through the Statement of Financial Activities comprise dividend income of £75,587 (2022: £73,282) and net gains of £54,417 (2022 losses: £225,682)

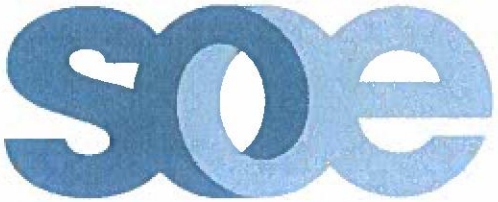
23. Post Balance Sheet Event

The Directors gave notice to its other two partners in the Commercial Vehicle Show LLP joint venture, of its intention to withdraw from the partnership with effect from 30 September 2024.
The effect of this withdrawal will mean that IRTE Services will no longer be entitled to a share of the profits from any future show after this date and will cease to be responsible for the CV Show staff for which it charges a management fee.

THE SOCIETY OF OPERATIONS ENGINEERS

England & Wales - Charity number 1081753

Accounts



Society of Operations Engineers

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

THE SOCIETY OF OPERATIONS ENGINEERS

Registered in England
Company No 3667147
Registered Charity No 1081753

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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Registered Office
22 Greencoat Place, London SW1P 1PR
Tel: 020 7630 1111 Website: www.soe.org.uk

The Society is governed by its Memorandum and Articles of Association

VAT Registration No 751 8131 42

A company limited by guarantee.

A Licensed Member of the Engineering Council and the Society for the Environment

THE SOCIETY OF OPERATIONS ENGINEERS

Patron	Sir John Parker GBE

TRUSTEE BOARD

President	JE Eastman EngTech CEnv FSOE FIRTE
Chair	SM Stephenson EngTech FSOE FIRTE
Director International	C Grime EngTech CEnv FSOE FIRTE
Director Standards	GM Gilby IEng CEnv FSOE FIPlantE
Director Services	I Jones MSOE MIRTE (appointed Aug 2022)
Director Governance, Risk & Compliance	HM Seymour CEng CEnv FSOE FIPlantE FIRTE
Director IRTE	SS Cheema EngTech FSOE FIRTE (appointed Oct 2021)
Director BES	D Greer IEng REnvP MSOE MBES (appointed Jun 2022)
Director Environment	S G Tweed CEng CEnv FSOE FIPlantE (appointed Jun 2022)
Director Co-opted	MP Sweetmore Eng Tech MSOE MIRTE
Director Co-opted	CJ Harries MSOE MIRTE (appointed Oct 2021)
Director Co-opted	D Rathke MSOE MIRTE (appointed Oct 2021)

MANAGEMENT TEAM

Chief Executive Officer & Company Secretary	Bruce McGill (until Feb 2022)
CV Show Director	Murray Ellis
Chief Operating Officer & Company Secretary	Daniel Moir BA(Hons)
PA to CEO and Office Manager	Emma Thompson MSOE (until Feb 2022)
Head of Finance	Pamela Mansley FCCA
Marketing & Communications Manager	Kerry Holmes
Membership Manager	Oliver Teasell MSOE MBES
Professional Standard Manager	Robin Bates MSOE MBES
I.T. Manager	Cheryl Carroll

PROFESSIONAL ADVISORS

Statutory Auditor	Crowe U.K. LLP 55 Ludgate Hill, London EC4M 7JW
Bankers	HSBC Bank plc 333 Vauxhall Bridge Road, London SW1V 1EJ
Investment Manager	Rathbone Investment Management Limited Port of Liverpool Building, Pier Head, Liverpool L3 1NW
Solicitors	Burlingtons LLP 5 Stratford Place, London W1C 1AX

Society of Operations Engineers

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

THE TRUSTEES, who are also Directors of the Society (Company no.3667147), Registered Charity (no. 1081753) for the purposes of the Companies Act, submit their report and the audited financial statements for the year ended 31 December 2022. In preparing the report and financial statements of the Society, the Trustees have adopted the provisions of the *Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.* The Society is governed by its Memorandum and Articles of Association adopted on 12 November 1998 and last amended on 30 June 2022.

The Trustees at the date of this report, who served throughout the year except where otherwise stated, are the members of the Society's Trustee Board listed on page 2.

OBJECTIVES OF THE SOCIETY

The Society's objectives, as specified in the Memorandum of Association as its objects, are:

A. To improve and elevate technical and general understanding, knowledge, skill and competence of persons engaged or desiring to be engaged in operations engineering or any related employment, and the integrity and repute of the profession thereof.
B. To promote and encourage the advancement of science, technology and practice, and inventions and improvements in the field of operations engineering and any other related branches of engineering, and the dissemination and exchange of ideas, information and knowledge thereof.
C. By means of A and B above, but without prejudice to the generality thereof, to promote the safety, efficiency and environmental sustainability of operations engineering to the benefit of the community at large.

AIMS OF THE SOCIETY

The aims of the Society are to promote, for the public benefit, safe, efficient and sustainable operations engineering to the community at large, through:

- Improving professional education, training, competence and ethics;
- Influencing legislation and design;
- Enhancing public understanding of the contribution of the Society and its membership to the community;
- Promoting the benefits of membership and professional registration.

2022 BUSINESS PLAN

In 2022 the Society was able to reinstate much of its pre-pandemic series of events to support the business plan. The key focus was on re-establishing significant relationships, strengthening the Society's international interests, securing extensions to both the Environmental and Engineering Council licenses and building membership, registration and irtec numbers. The Society continued to utilise online conferencing tools for meetings where possible and extended the webinar series.

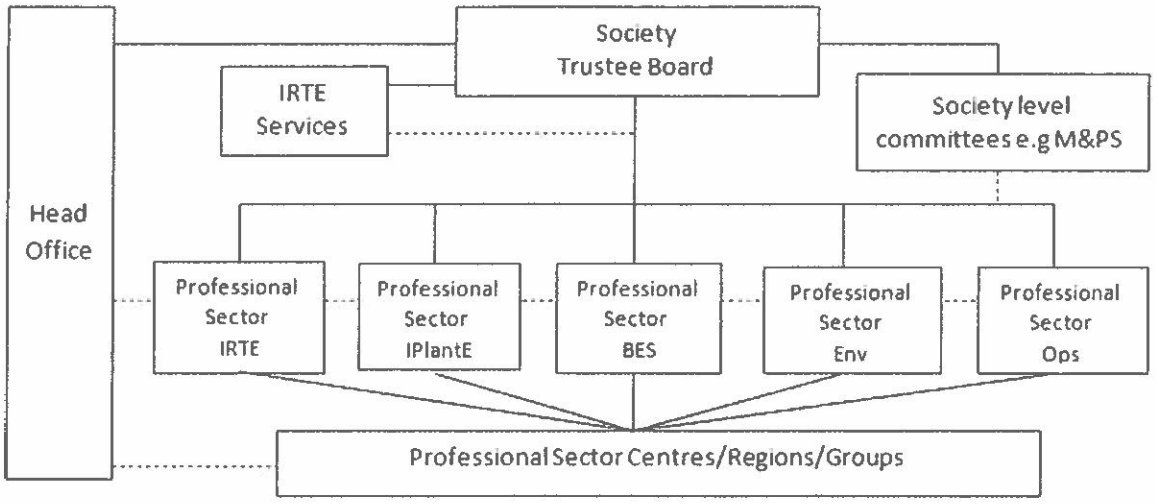
STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Society is governed by a Trustee Board, comprising a maximum of sixteen members, who are responsible for the overall governance of the Society. The Board is supported by the trading company, IRTE Services Limited, the Audit and Risk committee the Membership & Professional Standards committee and the Professional Sector Councils.

Society of Operations Engineers

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022



The primary role of the IRTE Services Board is the management of the Commercial Vehicle Show and the IRTE Workshop Accreditation Scheme. The Membership & Professional Standards Committee is responsible for setting and maintaining professional standards and their role includes monitoring all applications from individuals wishing to join the Society or to register with the Engineering Council or the Society for the Environment. The Professional Sector Councils have responsibility for ensuring that the Society provides relevant support and professional development opportunities for their sector members.

As a result of the adoption of the revised Memorandum and Articles of Association, regular touch points have been put in place between the management team and key Directors. Monthly meetings now take place with Trustee Board members to update on key issues and improve transparency.

The Society's finances are regularly reviewed by the Audit and Risk committee. The Trustees also monitor performance against the business plan, the adequacy of the Society's reserves and the financial performance against budget.

Trustee selection, training and competence

The Trustee Board are principally elected from members of the Society. The exceptions are the Chair of IRTE Services Limited, Chair of the Membership and Professional Standards Committee and the President of the Society. The Professional Sectors are represented by a nominated member from each respective Council and reviewed annually. The Trustee Board and the Professional Sector Councils annually conduct a review of skills needed and recruitment opportunities. The Trustee Board and the Professional Sector Councils are also able to co-opt key members with appropriate skills and knowledge to join and contribute to their activities.

Upon taking up their post, newly elected Trustees receive training covering corporate governance, charity law and policies and procedures of the Society. The Trustees and members of the Professional Sector Councils are subject to the Society's Code of Conduct. The Trustees confirm that they have complied with the requirements of the Charities Act 2011 to have due regard to the Charity Commission's published general guidance on public benefit.

Society of Operations Engineers

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

In addition to those listed on page 2, the following Trustees also served on the Board during the year:

A Fraser-Hitchen CEng FSOE (resigned Aug 2022)
D Young IEng FSOE FBES (resigned Jun 2022)
Al Jackson CEng FSOE FIPlantE (appointed Nov 2021, resigned Jun 2022)
AJ Cockcroft EngTech MSOE MIRTE (appointed Oct 2021, resigned Jun 2022)
A Reid IEng CEnv FSOE FBES (resigned Jun 2022)
AD Jolliffe MSOE MIRTE (resigned May 2022)

Staff

In early 2022 the decision was made to make the role of Chief Executive of the Society redundant. As such Bruce McGill left the organisation in the first quarter of the year, leaving with the thanks of the Trustees for guiding the Society through the pandemic. The restructure was implemented to allow greater transparency with the Trustee Board and allow Directors to offer support and guidance in key areas. The staff team and 2022 business plan was subsequently led by Daniel Moir, Chief Operating Officer, and supported by the key management personnel identified on page 2. SOE staff pay and benefits are reviewed annually in line with similar positions in the charity sector

Volunteers

The Trustees are appreciative of the many members who give of their time to serve on the Professional Sector Councils and Committees both centrally and in the regions. There are some 250 volunteers who serve the Society in a variety of roles and responsibilities. The Trustees are aware that time given by the volunteers is extremely valuable and an important part of the running of the organisation.

Risk Management

The Trustees are responsible for the management of risks faced by the Society and seek early identification, evaluation and effective management and mitigation of key risks. A formal review of the Society's risk management process is undertaken on an annual basis. The Audit and Risk Committee is responsible for regularly reviewing the risk register and reporting to the Trustee Board. Other controls include comprehensive strategic planning, budgeting and management reporting, formal lines of reporting and written procedures including authorisation of procurement and approval levels.

The principal risks to the Society, identified by the Trustees are:

- *Loss of membership and licenced body status with Engineering Council and Society for the Environment* - with Board approval, the Membership and Professional Standards Committee has continued to initiate new campaigns to improve recruitment and retention of members and to ensure compliance with the Engineering Council and Society for the Environment regulations.
- *Loss of income from the Commercial Vehicle Show* - income from the Show is a significant part of the Society's overall income. The Covid-19 pandemic has substantially increased the nature of this particular risk and led to increased measures to monitor and mitigate the risk by reducing the Society's reliance on the Show's income and diversifying other income streams.
- *Damage to reputation* - the Board is aware of the need for consistent and clear communications that ensure all members of the Society feel informed and engaged with the activities and strategic focus of the Society.
- *Loss of charitable status* – the Board and senior staff regularly review and update the Society's activities to ensure they are in-line with the latest Charity Commission requirements and regulations.

Governance and Patron

Sir John Parker was appointed as Patron of the Society in July 2019 and has represented the Society at a number of events during his tenure.

The Society continues to review its governance documents against the Charity Governance Code and updating its Memorandum and Articles of Association to represent best practice. At an Extraordinary General Meeting in July 2022, the membership voted to agree an updated version of the Memorandum and Articles of Association which will now be flushed through all other related documents.

Society of Operations Engineers

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

The updated Memorandum and Articles of Association brings the Society in line with recognised best practice within the Professional Engineering Institute community and was a key requirement of extending the organisations license with the Engineering Council. It will allow for changes to the Board structure, modernising its running and ensuring greater representation of the Society's Sectors.

The Society is led by its Trustee Board and supported by cross sector Committees including the Membership & Professional Standards Committee and the Audit & Risk Committee, providing detailed oversight and scrutiny of key areas of operation for the Society. Each Sector has its own Professional Sector Councils which feeds into these committees and decision-making process (see organisation chart on page 4).
The Audit & Risk Committee continue to ensure detailed oversight and scrutiny of key areas of operation for the Society. Terms of reference for the committee include:

- Review annual accounts for the Society and IRTE Services Limited, and attend auditors annual meeting
- Review the investment portfolio of the Society
- Review and update the risk register
- Oversee the annual insurance renewal

REVIEW OF ACTIVITIES

Upon entering 2022, the Society had wide ranging plans intended to support its Vision. These were based on the prevailing feeling of an expected return to normality and the opportunity to regain ground lost due to the pandemic. They included a return of key events such as The CV Show and IRTE Skills Challenge, developing both irtec and Workshop Accreditation and growing membership both in the UK and internationally.

The Society continued to utilise improved video conferencing platforms to strengthen relationships with key industry partners and to take part in the development of accreditations and delivery of CPD. The Society continued to work with key partners to enhance their apprenticeship programmes and supported the HGV and Bus & Coach Trailblazer group, providing apprentices with technical information through publications, website updates and assisting them to register with the Engineering Council and the Society for the Environment.

Although the Society is a membership body, the majority of its activities are open to the public and are relevant to a wide array of specialisms and interests related to engineering. By making most of its events and published content available to all, the Society aims to improve standards of training and competence across all operations engineering fields.

Senior members of staff and members of the Trustee Board, the IRTE Services Board and the four Professional Sector Councils attended a number of meetings with the Society's business partners in order to raise the profile of the organisation as well as its Professional Sectors. Meetings have been held with Department for Transport (DfT), Institute of Motor Industry (IMI), Logistics UK (Logistics), Road Haulage Association (RHA), The Society of Motor Manufacturers & Traders (SMMT), Garage Equipment Association (GEA), Chartered Institute of Transport (CILT), Driver Vehicle Standards Agency (DVSA), Traffic Commissioners, HSE, Safety Assessment Federation (SAFed), Institute for Apprenticeships, vehicle manufacturers, fellow Professional Engineering Institutions and other key industry stakeholders.

During the course of 2022 an Extraordinary General Meeting was held in order to adopt a revised Memorandum & Articles of Association. This was passed by the membership and subsequently adopted by the Society.

Services to Engineers
By constantly reviewing the quality of information it provides to its members, the Society aims to ensure that standards of engineering in the relevant fields are maintained, ensuring that only competent practitioners serve the public. A number of best practice guides have been updated or published in 2022, which are available on the Society's website. The Society has also helped new engineers develop in their chosen field by assessment and accreditation of relevant training courses.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

The Society continued to make improvements to its digital platform, including refreshing areas of the website and automating the onboarding process of new members. This has led to efficiencies enabling the membership team to focus on more personalised interactions. Online traffic continues to rise and reporting allows for information and updates to effectively promoted.

The Society e-newsletter is circulated to some 15,500 members and 2,500 non-members. Regular coverage in trade and regional publications also continues to increase ensuring that members are aware of the Society's activities.

Engineering Council registration is an important consideration for new members joining the Society as it demonstrates their engineering competency and is recognised throughout the world. In December 2022 the Society successfully secured the maximum 5 year extension. During 2022, the Society registered 232 new Chartered Engineers, Incorporated Engineers and Engineering Technicians with the Engineering Council.

Organisations continue to support Engineering Council registration, and many are now ensuring that all employees are professionally registered at the point of applying for membership. Dedicated support teams are in place to ensure that the process is efficient and onboarding new members from corporate entities is transparent.

The Society was awarded licensed body status by the Society for the Environment in 2011 enabling the Society to award the title of Chartered Environmentalist (CEnv) to suitably qualified individuals, in 2020 the Society was also granted the licence to award Registered Environmental Practitioner (REnvP). These licences were reviewed in 2022 and the Society was granted the maximum 5 year extension.

Membership acquisition for the Society remained steady throughout 2022 and financial targets were met. There was a focus on ensuring routes to membership were streamlined and key employers targeted. Many of the promotional campaigns remained digital, ensuring efficient return on investment and allowing for greater tracking and information gathering. The Society will continue to leverage its digital reach and focus on attracting apprentices.

The Society continues to support apprenticeship schemes across relevant sectors including offering free apprentice membership to MAN, Scania and Stagecoach. The organisation also welcomed the return of the full Skills Challenge, with technicians completing at S & B Automotive before the awards ceremony at the British Motor Museum in September.

The Society has accredited a number of courses during the year including courses approved as meeting the academic requirements of the Engineering Council as Incorporated Engineers and Engineering Technicians and also those meeting the Society's academic requirements for Continuing Professional Development (CPD).

There were 2,512 irtec licences awarded in 2022.

Regional Groups and Centres

2022 saw a return to many face to face Centre and regional meetings. Although some Centres were unable to restart post pandemic, head office continues to support the network and engage with volunteers to ensure continued growth. The Hong Kong Regional Group was also able to return to in-person events, including the Annual Symposium.

Publications

The Society's has two publications, *Transport Engineer* and *Operations Engineer.* They are designed to help all involved with operations engineering to keep up to date with latest developments. All members receive the publication that is most relevant to them as part of their membership but there are also many non-members who subscribe to these publications. All members also receive a copy of the Society's quarterly newsletter, *SOE News.* Corporate Partners receive copies of these publications to distribute amongst their staff and other key organisations also receive copies on a regular basis. During 2022 it was decided to move *Operations Engineer* to digital only, providing members with access through the digital portal.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

Education

We recognise that, as a Professional Engineering Institution, we have a responsibility greater than simply recruiting competent persons into membership. As an independent body we strive to ensure that the public is aware of the importance of engineering in general and of it being conducted by competent persons. We ensure that members' skills are kept up to date through technical publications, the website, CPD lectures and networking meetings with their peers.

The Society's webinar series has established itself as a key part of the membership offering delivering regular online opportunities for our members to receive CPD.

The Society, through its IRTE Professional Sector continues to work with the Traffic Commissioners and the Driver and Vehicle Standards Agency (DVSA) who support the accreditation of workshops and licensing of technicians. The Society's technician licensing scheme (irtec) and the IRTE Workshop Accreditation Scheme are important in raising standards of vehicle maintenance and compliance across the road transport industry and continue to be sign posted through the DVSA's Guide to Roadworthiness and the Fleet Operators Recognition Scheme (FORS).

The IRTE Professional Sector continues to work with the IMI in developing irtec, with the key objectives of improving industry standards and the competence of technicians working in the industry. The irtec Steering Group meets regularly with the remit of ensuring the irtec scheme continues to comply with industry requirements. Members of the group include representatives from manufacturers, operators, bus companies and training providers.

Fundraising

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Trading Company Activities

The Commercial Vehicle Show was able to go ahead, albeit at a postponed date towards the end of the year. A smaller show than in previous years, it was the first road transport conference to take place once restrictions were lifted and was well received by the industry. The 2022 Commercial will be pushed back to accommodate the delivery of the postponed 2021 show and is due to take place at the NEC in June.

The IRTE Workshop Accreditation Scheme was developed in consultation with industry, vehicle manufacturers and key government agencies to deliver an independent accreditation scheme to regulate and improve industry standards for maintenance providers. The Scheme is owned by IRTE Services Limited and is delivered by trusted partners, including the Freight Transport Association, S & B Automotive and the Road Haulage Association. The IRTE Services Limited Board has overall responsibility for the governance and development of the Scheme. Around 700 workshops have been audited since the scheme started with more audits being arranged. The Accreditation Scheme has been recently been updated introduced to Singapore.

FINANCIAL REVIEW

Results

The Statement of Financial Activities (SOFA) for the year is set out on page 16 of the financial statements. The loss for the year (including losses on investment) is £87,842 compared to the surplus last year of £59,098. Charitable income of £1,855,171 in 2022 is £11k higher than in 2021. The year saw the residual effects of lockdown and the financial hardships leading to members not renewing their membership. Since the year end, as economic activity continues to gather pace, many lapsed members have started to 're-join' in 2023. In addition, there have been increases in the number workshop accreditation inspections and irtec registrants. Advertising revenue continues its downward trend and plans are afoot to mitigate the cost of producing the two in-house magazines. Investment income totalled £75k (2021: £63k).

The results for the year to December 2022 show an operating loss of £164,359 compared to an operating loss of £161,127 in 2021. By absorbing its share of the profit from the CV show of £302,198 (2021: £135,558 loss) the overall position is a surplus of £137,839 (2021: deficit £296,685). The realised and unrealised loss on

investments in 2022 of £225,682 (2021: £355,782 gain) gives an overall net movement downwards for the year of £87,842 (2021: £59,098 upwards).

Investment powers and policy

The Society's investments are managed by Rathbones Investment Management Limited in accordance with the discretionary management agreement and the agreed investment policy. Rathbones reports quarterly and annually to the Trustee Board. The Trustees recognise there is risk associated with investment in mainstream financial markets and accept this risk in return for the prospect of additional returns over longer periods of time. As such, the Trustees wish to remain largely invested at all times, subject to cash reserves being held as part of the investment management process and to cover liabilities. The investments should be well diversified and include a range of assets including fixed interest stocks, UK shares and overseas shares.

The investment portfolio as at 31 December 2022 was valued at £2,964,910 (2021: £3,091,643) comprising 11% fixed interest funds, 35% UK equities, 33% overseas investments, and other investments 21%. The turmoil in the markets towards the end of the year affected the Society's investments. The total return from the portfolio was a decrease of 4.5% over the year compared with a decrease of 6.1% in the WM (Constrained by income) benchmark. The Trustees have reviewed the performance of the investments with the Investment Advisor and are happy to maintain the current investment strategy and will continue to closely monitor performance of the investments in the future.

Trading Company

The Society's wholly-owned trading subsidiary, IRTE Services Limited, made a net profit before gift aid and taxation of £375,595 (2021: £68,356 loss) from its activities. These activities include IRTE Workshop Accreditation and managing the Commercial Vehicle Show which is organised in partnership with the Society of Motor Manufacturers and Traders Limited (SMMT) and the Road Haulage Association (RHA). This profit from trading activities includes the income from the 2021 CV show which was deferred as a timing issue in the accounts of 2021.

Group reserves

The reserves policy, which is reviewed annually by the Board is formulated with regard to:

- Forecasts of future income, taking into account the reliability of existing sources and prospects for new sources;
- Forecasts of future expenditure based on planned activities;
- An analysis of any future needs, opportunities, contingencies or risks the effects of which are unlikely to be met out of income if and when they arise; and
- An assessment of the likelihood that any of these future events will arise and the potential consequences of not being able to meet them.

The Group's aim is to maintain sufficient free reserves to cover 18 months total expenditure, the target for 2022 being £3.73m (2021: £3.63m). At the year end the free reserves which consist unrestricted funds less tangible fixed assets, totalled £3.71m (2021: £3.62m). The Group did not meet this target for free reserves at the end of 2022.

The current economic crises as evidenced by rising inflation and cost of living increases has reinforced the continual need for closer monitoring of the various income streams, reserves and cash-flow which may result in reserves being utilised in the short term to meet any shortfall in income. The Trustees remain committed to maintaining the current policy but accept that any departure, while necessary, will be temporary until such time as funds are available to rebuild back to the 18 months target level.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

Tangible and Intangible fixed assets
The freehold land and building were professionally revalued in January 2006 at approximately £2.1m. The value in use is therefore in excess of the carrying value of £1,513,747 in the financial statements. The movements in fixed assets during the year are set out in note 7 to the financial statements.

The Trustees are minded to take the long term view that even though investment values have been impacted by current events, the Society has historically been and still is able to operate without the need to dispose of its investments. The Society has no immediate plans to dispose of any of its assets.

Going Concern
Having taken into consideration the risks and challenges facing the Society and weighing them against its assets, reserves and future income streams, the Trustees are confident that the Society can and will continue to operate as a going concern.

LOOKING FORWARD

In 2023, the Society will continue to focus on its charitable objectives and the supporting goals of its business plan that include the delivery of:

- Greater engagement with existing and potential apprentice and student members
- Greater membership diversity
- Better support for existing and potential members
- Improved volunteer support and engagement
- Strengthening and developing the professional sectors
- Financial stability and good governance
- Revised and updated governance documents
- A bigger Commercial Vehicle Show at the NEC in April 2023, on behalf of the Commercial Vehicle Show LLP

The Society remains focused on delivering the long-term strategic aims of its 2025 vision that include:

- Addressing the skills gap
- Encouraging diversity in engineering
- Engaging apprentice and student members
- Engaging with volunteers
- International growth
- Membership growth
- Promoting membership and registration

Statement of Trustees' responsibilities
The Trustees (who are also directors of the Society of Operations Engineers for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group 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;

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable 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, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The following statements have been affirmed by each of the Trustees of the charitable company:

- So far as each Trustee is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- Each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITOR

Crowe U.K. LLP has indicated its willingness to be re-appointed as the statutory auditor.

Signed on behalf of the Trustees by:

J E Eastman
President

S M Stephenson
Chair

Date: 11 May 2023

Society of Operations Engineers

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOCIETY OF OPERATIONS ENGINEERS

Opinion

We have audited the financial statements of Society of Operations Engineers for the year ended 31 December 2022 which comprise Consolidated Statement of Financial Activities, Consolidated and Company Balance Sheets, Consolidated Cash Flow Statement and notes to the financial statements, including 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 the charitable company's affairs as of 31 December 2022 and of the group's income and expenditure 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 charitable group 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

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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 this gives rise to a material misstatement in the

financial statements themselves. 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 during our audit

- the information given in the trustees' report, which includes the directors' 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 directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 in preparing the trustees' directors' report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, 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 determine 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 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 have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOCIETY OF OPERATIONS ENGINEERS

Auditor's 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 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the group's and the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the group and the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data protection Regulation (GDPR), taxation legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the

financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected o detect non-compliance with all laws and regulations.

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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Thomas
Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date: 24 May 2023

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account) for the year ended 31 December 2022

	Notes	Total Funds 2022 £	Total Funds 2021 £
Income and endowments from:			
Charitable activities	3	1,855,171	1,843,681
Other trading activities			
Commercial trading operations	4	390,500	354,760
Investments		75,352	62,578
Total income		2,321,023	2,261,019
Expenditure on:			
Charitable activities:	6	2,150,230	2,115,626
Other			
Commercial trading operations (including taxation)	4	317,103	287,559
Investment management fees		18,048	18,961
Total expenditure		2,485,381	2,422,146
Net gains/(losses) on revaluation and disposal of investments	9	(225,682)	355,783
Net income/(expenditure)		(390,040)	194,656
Other recognised gains/(losses):			
Net (loss)/income from joint ventures	5	302,198	(135,558)
Net movement in funds		(87,842)	59,098
Reconciliation of funds:			
Total funds brought forward		5,422,813	5,363,715
Total funds carried forward		5,334,971	5,422,813

The notes on pages 19 to 30 form part of these accounts.

The Statement of Financial Activities has been prepared in accordance with Financial Reporting Standard No 102. All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

All funds are unrestricted.

Consolidated and Society Balance Sheets

	Notes	Group 31.12.22 £	Group 31.12.21 £	Society 31.12.22 £	Society 31.12.21 £
Fixed assets					
Tangible assets	7	1,532,172	1,623,174	1,532,172	1,623,174
Intangible assets	8	90,364	180,728	90,364	180,728
Investments	9	2,964,910	3,091,643	2,965,010	3,091,743
Investment in joint venture Share of net assets	5	100,000	100,000	0	0
		4,687,446	4,995,545	4,587,546	4,895,645
Current assets					
Debtors	10	243,627	129,145	445,464	266,674
Cash at bank and in hand	11	1,145,578	1,232,429	731,654	950,590
		1,389,205	1,361,574	1,177,118	1,217,264
Creditors: amounts falling due within one year	12	(741,679)	(934,306)	(719,924)	(911,803)
Net current assets		647,526	427,268	457,194	305,461
Net assets		5,334,972	5,422,813	5,044,740	5,201,106
Funds					
Unrestricted funds	15				
General		5,044,640	5,201,005	5,132,582	5,142,008
Subsidiary trading		290,332	221,808	-	-
Profit for the year				(87,842)	59,098
Total Funds		5,334,972	5,422,813	5,044,740	5,201,106

The notes on pages 19 to 30 form part of these accounts.

The financial statements on pages 16 to 30 were approved by the Trustees and authorised for issue on 11 May 2023 and signed on their behalf by:

J E Eastman
President

S M Stephenson
Chair

Statement of Cash Flows for the year ended 31 December 2022

	Notes	Total Funds 2022 £	Total Funds 2021 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities		(36,777)	288,264
Cash flows from investing activities:			
Dividends, interest and rents from investments		75,352	62,578
Purchase of property, plant and equipment		(8,430)	(8,607)
Proceeds from sale of investments		391,056	286,960
Purchase of investments		(490,004)	(297,041)
Investment managers fees		(18,048)	(18,961)
Net cash provided by (used in) investing activities		(50,074)	24,929
Cash flows from financing activities:		0	0
Change in cash and cash equivalents in the reporting period		(86,851)	313,193
Cash and cash equivalents at the beginning of the reporting period		1,232,429	919,236
Cash and cash equivalents at the end of the reporting period		1,145,578	1,232,429

Reconciliation of net income/(expenditure to net cash flow from operating activities		
Net income/(expenditure) for the accounting period as per the statement of financial activities	(87,842)	59,098
Adjustments for:		
Depreciation charges	189,796	193,170
(Gains)/Losses on investments	225,682	(355,783)
Dividends, interest and rents from investments	(75,352)	(62,578)
Investment managers fees	18,048	18,961
Decrease/(Increase) in debtors	(114,482)	414,692
Increase/(decrease) in creditors	(192,627)	20,704
Net cash provided by (used in) operating activities	(36,777)	288,264

Analysis of cash and cash equivalents		
Cash in hand	1,145,578	1,232,429
Total cash and cash equivalents	1,145,578	1,232,429

Notes to the financial statements for the year ended 31 December 2022

1. Accounting policies

i. Company Information and Objectives

The Society of Operations Engineers is a registered charity (reg. no. 1081753) and company (reg. no. 3667147) which is incorporated and domiciled in the United Kingdom. The address of the registered office is 22 Greencoat Place, London SW1P 1PR

To improve and elevate technical and general understanding, knowledge, skill and competence of persons engaged or desiring to be engaged in operations engineering or any related employment, and the integrity and repute of the profession thereof.

To promote and encourage the advancement of science, technology and practice, and inventions and improvements in the field of operations engineering and any other related branches of engineering, and the dissemination and exchange of ideas, information and knowledge thereof.

By means of the above, but without prejudice to the generality thereof, to promote the safety, efficiency and environmental sustainability of operations engineering to the benefit of the community at large.

ii. Basis of accounting

These financial statements have been prepared in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006 and UK Generally Accepted Practice.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the Society, its subsidiary IRTE Services Limited and dormant subsidiaries (note 18) and include the results of the Society's regional groups and centres on a line by line basis.

The Society's annual share of the profits/losses from its joint venture are included in the Statement of Financial Activites and its share of the net assets are included in the balance sheet.

The Society meets the definition of a public benefit entity under FRS 102.

The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments.

Having assessed the charity's financial position, its plans for the foreseeable future and the risks to which it is exposed, the trustees are satisfied that it remains appropriate to prepare the financial statements on a going concern basis.

iii. Functional & presentation currency

The functional currency of the charity and its subsidiary is considered to be pounds sterling because this is the currency of the primary economic environment in which the charity operates. The consolidated financial statements are also presented in pounds sterling.

Notes to the financial statements for the year ended 31 December 2022

1. Accounting policies (continued)

iv. Critical accounting judgements and key sources of estimation uncertainty (policy)

In the application of the charity's accounting policies, which are described in notes I, the Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

v. Incoming Resources

All incoming resources from membership, education, events and publications for the year are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

vi. Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to an expenditure group. Salaries are allocated in proportion to the Society's staff time spent on each expenditure group. Support costs are those costs incurred directly in support of the objects of the charity and also allocated to each expenditure group on the basis of staff time. Governance costs are those incurred in connection with the governance of the charity, including compliance with constitutional and statutory requirements. Irrecoverable VAT is written off as incurred.

vii. Depreciation

a. ***Land and buildings***

Depreciation has been charged at 2% on half of the cost of land and buildings, this being the proportion relating to the building only.

b. ***Other fixed assets***

The following annual rates of depreciation on cost have been applied:

Furniture and fittings	20%
Property improvements	10%
Office equipment	20%
Computers	33%

c. ***Intangible assets***

Digital infrastructure	20%

Assets over the value of £1,000 are capitalised.

Notes to the financial statements for the year ended 31 December 2022

1. Accounting policies (continued)

viii. Pension scheme

The Society operates a Group Personal Pension Plan (Group PPP) which is a money purchase scheme. Pension costs are charged to the SOFA, representing a constant percentage of earnings payable by the Society to employee's plans. The Society has also made provision for employees not covered by the Group PPP to take out stakeholder pensions, in order to comply with current legislation.

ix. Furlough income

Government grants are recognised on the performance model, when the charity has complied with any conditions attaching to the grant and the grant will be received. The grant in connection to the job retention scheme has been recognised in the period to which the underlying furloughed staff costs relate to. Included in income is an amount of £50,659 in respect of the Coronavirus Job Retention Scheme.

x. Publications

As in previous years the postage costs relating to the distribution of the SOE News are included under this heading.

xi. Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date. All differences are taken to the SOFA.

xii. Income and expenditure

As permitted by Section 408 of the Companies Act 2006, the income and expenditure of the parent undertaking is not presented as part of these accounts.

xiii. Financial instruments

If the charity has any basic financial instruments, they are initially recognised at transaction value and subsequently measured at amortised costs using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade and other creditors.

Investments, including bonds held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

xiv. Gift Aid

Donations to the parent charity are recognised as an expense either when paid or at the date when the company has a legal liability to make the donation payment, if earlier.

2. Taxation

As a registered Charity, the Society is not liable to Corporation Tax on its income.

Notes to the financial statements for the year ended 31 December 2022

3. Income from charitable activities

Activities in furtherance of the charity's objects	Society Year to 31.12.22 £	Society Year to 31.12.21 £
Membership	1,302,483	1,303,523
Education and Events	225,709	212,026
Publications	146,001	170,959
Income from regional groups and centres	7,049	7,726
Room rental and sundry income	173,929	149,447
	1,855,171	**1,843,681**

4. Commercial trading operations

The Society has a subsidiary that has been trading since 11 October 1993 and pays all its profits to The Society of Operations Engineers by gift aid. The principal activity of the Company is to raise funds in order to promote the aims of the Society.

The Society holding in the issued ordinary share capital of £100 is as follows:

Name	Country of Registration	Registration Number	Proportion held 31.12.22	Proportion held 31.12.21
IRTE Services Limited	England and Wales	2854868	100%	100%

A summary of IRTE Services Limited's results are shown below and audited accounts will be filed with the Registrar of Companies at Companies House.

Profit and Loss Account for the year ended 31 December 2022	Year to 31.12.22 £	Year to 31.12.21 £
Turnover	389,917	354,725
Expenditure		
Cost of sales	(309,943)	(281,042)
Administrative expenses	(7,160)	(6,517)
	(317,103)	(287,559)
Operating Profit/(Loss)	72,814	67,166
Interest receivable	583	36
Profit/(Loss) on ordinary activities	73,397	67,202
Net (Loss)/Income from Joint Venture	302,198	(135,558)
(Loss)/Profit before gift aid and taxation	375,595	(68,356)
Amount gifted to the society	(307,071)	0
(Loss)/Profit before taxation	68,524	(68,356)
Taxation	0	0
Retained profit for the year	68,524	(68,356)

The company incurred corporation tax in the year of £Nil (2021: £Nil). No further provision for corporation tax has been made on the company's profit for the year due to its policy of donating all its tax adjusted profits available for distribution under gift aid to its ultimate parent undertaking within nine months of each year-end date and because the company early implemented FRS 102 para 29.14A.

Notes to the financial statements for the year ended 31 December 2022

4. Commercial trading operations (continued)

IRTE Services Limited The aggregate of the assets, liabilities and funds was:	As at 31.12.22 £	As at 31.12.21 £
Assets	638,117	401,532
Liabilities	(347,785)	(179,724)
Funds	290,332	221,808

The costs of the Commercial Vehicle Show LLP management team totalling £278,998 (2021: £259,599) are recharged to IRTE Services Limited by the SOE. One of the tenants occupying office space in the SOE buiding is a firm of solicitors which includes amongst its partners, a director of IRTE Services Limited. The contractual arrangements are at arms length and the tenant pays rent at a commercial rate. The directors of IRTE Services Limited agreed to declare a Gift Aid donation of £307,071 (2021: Nil).

	At 31.12.22	At 31.12.21
Amount owing by/(to) parent company (included in liabilities)	(307,796)	(802)

5. Joint Venture

IRTE Services Limited has a 33.33% interest in the Commercial Vehicle Show Limited Liability Partnership.

Summary financial information of the CV Show LLP	Year to 30 June 2022 Partnership total £	 SOE share £
Profit and Loss Account		
Turnover	3,502,620	1,167,540
Operating (Loss)/Profit	906,594	302,198
Interest receivable	0	0
Partners' Asset	300,000	100,000
Balance Sheet	As at 30 June 2022	
Current Assets	1,008,645	336,215
Current Liabilities	(208,726)	(69,575)
Net Assets	799,919	266,640
Represented by:		
Partners' Capital Accounts	300,000	100,000
Partners' Current Accounts	499,919	166,640
	799,919	266,640

The Partnership prepares accounts to 30 June and the above extract is therefore from the most recently available accounts.

Notes to the financial statements for the year ended 31 December 2022

6a. Analysis of charitable expenditure

Year to 31 December 2022	Staff Costs £	Support Costs £	Other Direct Costs £	Total £
Services to engineers	444,215	242,393	34,829	721,437
Regional groups and centres	29,066	15,861	102,479	147,406
Publications	40,035	21,846	329,722	391,603
Education	93,981	51,282	17,161	162,424
Marketing, committees and exhibitions	202,442	110,466	114,358	427,266
Governance	147,262	80,356	72,476	300,094
	957,001	**522,204**	**671,025**	**2,150,230**
Year to 31 December 2021 (Prior Year)	**£**	**£**	**£**	**£**
Services to engineers	430,807	239,440	28,055	698,302
Regional groups and centres	33,852	18,814	87,316	139,982
Publications	58,196	32,345	350,778	441,319
Education	126,491	70,303	14,588	211,382
Marketing, committees and exhibitions	202,638	112,627	113,327	428,592
Governance	105,022	58,371	32,656	196,049
	957,006	531,900	626,720	2,115,626

6b. Analysis of support costs

	Premises	Communications and IT	Postage & Printing	Financial Costs	Depreciation	Total
Engineers	48,377	67,583	2,525	35,811	88,098	242,394
Regions	3,165	4,422	165	2,343	5,765	15,860
Publications	4,360	6,091	228	3,228	7,940	21,847
Education	10,235	14,298	534	7,576	18,639	51,282
Marketing/Publicity	22,047	30,799	1,151	16,320	40,149	110,466
Governance	16,037	22,404	837	11,872	29,205	80,355
Total Support	**104,221**	**145,597**	**5,440**	**77,150**	**189,796**	**522,204**
Total Support costs 2021	**106,515**	**162,442**	**4,805**	**64,969**	**193,170**	**531,901**

6c. Governance costs are made up of the following:

Governance costs include audit fees of £22,500 (2021: £18,600), non audit fees of £8,260 (2021: £3,350). All 16 Trustees (including the 7 Directors of IRTE Services Ltd) claim out of pocket expenses in relation to travel and subsistence costs for attendance at meetings and representation events amounting to £15,938 (2021: £7,431); Trustees' and Officers' liability insurance £2,128 (2021: £2,962); remainder is expenditure on legal and other administrative costs and an apportionment of staff time.

Notes to the financial statements for the year ended 31 December 2022

7. Tangible fixed assets

Group and Society	Land and buildings freehold	Computer and other assets	Total
Cost	£	£	£
Cost at 31 December 2021	2,257,845	141,224	2,399,069
Additions	0	8,430	8,430
Fully depreciated and written off	0	(40,495)	(40,495)
Cost at 31 December 2022	2,257,845	109,159	2,367,004
Depreciation			
Balance at 31 December 2021	656,115	119,780	775,895
Charge for the year	87,983	11,449	99,432
Fully depreciated and written off	0	(40,495)	(40,495)
Balance at 31 December 2022	744,098	90,734	834,832
Net book value at 31 December 2022	1,513,747	18,425	1,532,172
Net book value at 31 December 2021	1,601,730	21,444	1,623,174

8. Intangible fixed assets

Group and Society	Digital Infrastructure
Cost	£
Cost at 31 December 2021	449,485
Additions	0
Fully depreciated and written off	0
Cost at 31 December 2022	449,485
Depreciation	
Balance at 31 December 2021	268,757
Charge for the year	90,364
Asset Write downs from previous years	0
Balance at 31 December 2022	359,121
Net book value at 31 December 2022	90,364
Net book value at 31 December 2021	180,728

Notes to the financial statements for the year ended 31 December 2022

9. Investments

Group Listed stocks and shares	31.12.22 Cost £	31.12.22 Market Value £	31.12.21 Cost £	31.12.21 Market Value £
UK Gilts and other fixed interest	393,452	389,075	194,897	209,389
UK Equities	668,387	1,023,787	736,424	1,190,148
Alternatives & Hedge Funds	530,696	561,614	434,807	466,114
Overseas investments	786,865	990,434	769,149	1,225,992
Investments total	2,379,400	2,964,910	2,135,277	3,091,643

Movements during the year Group	Year to 31.12.22 £	Year to 31.12.21 £
Market value as at start of year	3,091,643	2,725,778
Purchases during the year	490,004	297,041
Sales at market value prior to disposal	(392,504)	(268,901)
Unrealised (loss)/gain on revaluation	(224,342)	337,369
Non market transactions	109	356
Market value as at end of year	2,964,910	3,091,643
Realised gain on disposal of investments	(1,450)	18,058
Unrealised (loss)/gain on revaluation	(224,341)	337,369
Gain/(losses) on non market transactions	109	356
Net gains/(losses) on revaluation and disposal of investments	(225,682)	355,783

Investments over 5%

The following investments have a market valuation of over 5% of the total investment valuation:
JP Morgan Asset Mgrs (UK) US Equity Income Hedged £148,596 (5.7%)

Society

The Society's investments include a further £100 investment in IRTE Services Limited (see note 4).

10. Debtors

	Group		Society	
	31.12.22 £	31.12.21 £	31.12.22 £	31.12.21 £
Trade debtors (less bad debts)	73,594	177,427	45,809	157,735
Owed by subsidiary undertaking	0	0	307,796	802
VAT	0	0	18,234	18,325
Other debtors	96,407	(138,094)	0	0
Prepayments and accrued income	73,626	89,812	73,625	89,812
	243,627	129,145	445,464	266,674

Notes to the financial statements for the year ended 31 December 2022

11. Cash and bank balances

	Group		Society	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Deposit and current accounts	1,145,575	1,232,329	731,651	950,490
Cash in hand	3	100	3	100
	1,145,578	1,232,429	731,654	950,590

12. Creditors: amounts falling due within one year

	Group		Society	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Subscriptions in advance	424,456	548,977	424,456	548,977
Trade and other creditors	193,236	228,704	188,452	211,364
Social security and other taxes	42,765	30,368	42,765	30,368
VAT	2,921	(537)	0	0
Accruals and deferred income	78,301	126,794	64,251	121,094
	741,679	934,306	719,924	911,803

Creditor accruals totalled £ Nil (2021: £Nil). The deferred income includes office rental income from tenants.

13. Capital Commitments and Operating Leases

During 2020, the Group entered into a three year operating lease agreement to hire two office photocopiers. The quarterly payment includes the rental and maintenance of these equipment. The outstanding contractual rental payments at year end totalled £2,626 (2021: £5,252)

14. Lessor Accounting

The Group has a number of lease and licence to occupy agreements with tenants occupying office space on the ground and second floors of 22 Greencoat Place. These agreements are open ended with notice periods of either three (for licences to occupy) or six (for leases) months required for either party to terminate the agreement.

The annual income from these agreements, should no termination take place is £153,988 (2021: £124,067)

Notes to the financial statements for the year ended 31 December 2022

15. Reserves

	General Reserves £	Regional Reserves £	Total Reserves £
Year to 31 December 2022			
Group			
Balance at 31 December 2021	5,346,649	76,164	5,422,813
Surplus/(Deficit) for the year	(97,757)	9,916	(87,841)
Balance at 31 December 2022	5,248,892	86,080	5,334,972
Represented by			
Fixed assets	4,687,446	0	4,687,446
Cash at bank and in hand	1,059,498	86,080	1,145,578
Other net current assets	(498,052)	0	(498,052)
	5,248,892	86,080	5,334,972
Society			
Balance at 31 December 2021	5,124,942	76,164	5,201,106
Surplus/(Deficit) for the year	(166,282)	9,916	(156,366)
Balance at 31 December 2022	4,958,660	86,080	5,044,740
Represented by			
Fixed assets	4,587,546	0	4,587,546
Cash at bank and in hand	645,574	86,080	731,654
Other net current assets	(274,460)	0	(274,460)
	4,958,660	86,080	5,044,740
Year to 31 December 2021			
Group			
Balance at 31 December 2020	5,278,650	85,065	5,363,715
Surplus/(Deficit) for the year	67,999	(8,901)	59,098
Balance at 31 December 2021	5,346,649	76,164	5,422,813
Represented by			
Fixed assets	4,995,545	0	4,995,545
Cash at bank and in hand	1,156,265	76,164	1,232,429
Other net current assets	(805,161)	0	(805,161)
	5,346,649	76,164	5,422,813
Society			
Balance at 31 December 2020	4,988,586	85,065	5,073,651
Surplus/(Deficit) for the year	136,356	(8,901)	127,455
Balance at 31 December 2021	5,124,942	76,164	5,201,106
Represented by			
Fixed assets	4,895,645	0	4,895,645
Cash at bank and in hand	874,426	76,164	950,590
Other net current assets	(645,129)	0	(645,129)
	5,124,942	76,164	5,201,106

Notes to the financial statements for the year ended 31 December 2022

16. Staff

	Year to 31.12.22 £	Year to 31.12.21 £
The total staff emoluments including taxable benefits for the year:		
Gross salaries permanent and temporary staff	793,279	804,285
Employer's NI	86,806	87,030
Employer's pension	45,194	56,045
Life assurance cover	4,334	3,930
	929,613	951,290

Redundancy and termination payments totalling £30,623 (2021: £1,614) were paid during the year.

	2022	2021
Key Management (defined as the senior management team):		
Total emoluments including taxable benefits for the year	494,136	552,687

During the year, payments totalling £300 (2021: £1,800) were paid to a Trustee as fees in connection with workshop inspections on behalf IRTE Services Ltd. No other payments were made except for out of pocket expenses (see note 6c).

	2022	2021
Average number of employees analysed by function was:		
Charitable expenditure	17	18
Management, administration and support	2	2
CV Show management team	4	4
	23	24

A number of temporary staff were employed during the year to provide additional support in certain departments.

Number of staff whose emoluments (excluding pensions) including taxable benefits from the Society exceeded £60,000:	2022	2021
£60,001 - £70,000	1	
£70,001 - £80,000		1
£80,001 - £90,000		
£90,001 - £100,000	1	
£100,000 - £110,000		
£110,000 - £120,000		1

The Society's pension contribution for any member of staff whose emoluments exceed £60,000 is paid at the same rate as applicable to all staff eligible to join the group personal pension scheme.

17. Society Pension Arrangements

The Society's contributions made on behalf of eligible employees in the year amounted to £60,998 (2021: £71,383). (Also see note 1(vii) of the accounts.)

Notes to the financial statements for the year ended 31 December 2022

18. The Council of Management

The Trustee Board consists of 16 members including the chairs of the 5 Professional Sector Councils. No remuneration or other benefit in money or money's worth was given by the Society to any other member of the Board except out of pocket expenses (see note 6c).

19. Volunteers

The Trustees are grateful for the invaluable time and support given by the 200 volunteers who who sit on the Trustee Board, IRTE Services Board, five Professional Sector Councils, the Membership & Professional Standards Committee and Regional Committees.

20. Liability of Members

The Society is a company limited by guarantee and Clause 8 of its Memorandum of Association states that the maximum contribution for which a member can be liable in the event of the Society's liquidation is £10.

21. Dormant Companies

The following companies are subsidiaries of SOE but did not trade during the year:

Name:	Country of Registration:	Registration Number	Reserves 31.12.22	Reserves 31.12.21
			£	£
Institution of Plant Engineers	England & Wales	419646	1,000	1,000
Institute of Road Transport Engineers	England & Wales	395541	1,000	1,000

Both of these companies are limited by guarantee.

22. Financial Instruments

At the balance sheet date, the consolidated group held financial assets at amortised cost comprising investment in joint venture, trade debtors, other debtors and cash and cash deposits of £1,422,987 (2021: £1,509,856) and financial liabilities at amortised cost comprising trade and other creditors and accruals of £317,223 (2021: £385,279).

Total interest income received in respect of financial assets held at amortised cost totalled £2,071 (2021: £63). The charity held financial assets at fair value through income or expenditure company investments of £2,964,910 (2021: £3,091,643). Movements in the year through the Statement of Financial Activities comprise dividend income of £73,282 (2021: £62,515) and net losses of £225,682 (2021 gains: £355,783)

THE SOCIETY OF OPERATIONS ENGINEERS

England & Wales - Charity number 1081753

Accounts

Society of Operations Engineers

REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2021

FRIDAY

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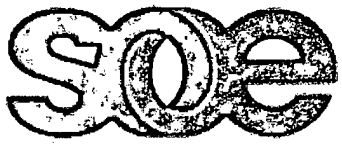
COMPANIES HOUSE

THE SOCIETY OF OPERATIONS ENGINEERS

Registered in England
Company No 3667147
Registered Charity No 1081753



ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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Registered Office
22 Greencoat Place, London SW1P 1PR
Tel: 020 7630 1111 Website: www.soe.org.uk

The Society is governed by its Memorandum and Articles of Association

VAT Registration No 751 8131 42

A company limited by guarantee.

A Licensed Member of the Engineering Council and the Society for the Environment

THE SOCIETY OF OPERATIONS ENGINEERS

Patron	Sir John Parker GBE

TRUSTEE BOARD

President	JE Eastman EngTech CEnv FSOE FIRTE
Chair	SM Stephenson EngTech FSOE FIRTE
Director International	C Grime EngTech CEnv FSOE FIRTE
Director Standards	GM Gilby IEng CEnv FSOE FIPlantE
Director Services	I Jones MSOE MIRTE (appointed Aug 2022)
Director Governance, Risk & Compliance	HM Seymour CEng CEnv FSOE FIPlantE FIRTE
Director IRTE	SS Cheema EngTech FSOE FIRTE (appointed Oct 2021)
Director BES	D Greer IEng REnvP MSOE MBES (appointed Jun 2022)
Director Environment	S G Tweed CEng CEnv FSOE FIPlantE (appointed Jun 2022)
Director Co-opted	MP Sweetmore Eng Tech MSOE MIRTE
Director Co-opted	CJ Harries MSOE MIRTE (appointed Oct 2021)
Director Co-opted	D Rathe MSOE MIRTE (appointed Oct 2021)

MANAGEMENT TEAM

Chief Executive Officer & Company Secretary	Bruce McGill (left Feb 2022)
CV Show Director	Murray Ellis
Chief Operating Officer	Daniel Moir BA(Hons)
PA to CEO and Office Manager	Emma Thompson MSOE (left Feb 2022)
Head of Finance	Pamela Mansley FCCA
Marketing & Communications Manager	Kerry Holmes
Membership Manager	Oliver Teasell MSOE MBES
Professional Standard Manager	Robin Bates MSOE MBES
I.T. Manager	Cheryl Carroll

PROFESSIONAL ADVISORS

Statutory Auditor	Crowe U.K. LLP 55 Ludgate Hill, London EC4M 7JW
Bankers	HSBC Bank plc 333 Vauxhall Bridge Road, London SW1V 1EJ
Investment Manager	Rathbone Investment Management Limited Port of Liverpool Building, Pier Head, Liverpool L3 1NW
Solicitors	Burlingtons LLP 5 Stratford Place, London W1C 1AX

Society of Operations Engineers

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

THE TRUSTEES, who are also Directors of the Society (Company no.3667147), Registered Charity (no. 1081753) for the purposes of the Companies Act, submit their report and the audited financial statements for the year ended 31 December 2021. In preparing the report and financial statements of the Society, the Trustees have adopted the provisions of the *Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.* The Society is governed by its Memorandum and Articles of Association adopted on 12 November 1998 and last amended on 28 June 2007.

The Trustees at the date of this report, who served throughout the year except where otherwise stated, are the members of the Society's Trustee Board listed on page 2.

OBJECTIVES OF THE SOCIETY

The Society's objectives, as specified in the Memorandum of Association as its objects, are:

A. To improve and elevate technical and general understanding, knowledge, skill and competence of persons engaged or desiring to be engaged in operations engineering or any related employment, and the integrity and repute of the profession thereof.
B. To promote and encourage the advancement of science, technology and practice, and inventions and improvements in the field of operations engineering and any other related branches of engineering, and the dissemination and exchange of ideas, information and knowledge thereof.
C. By means of A and B above, but without prejudice to the generality thereof, to promote the safety, efficiency and environmental sustainability of operations engineering to the benefit of the community at large. .

AIMS OF THE SOCIETY

The aims of the Society are to promote, for the public benefit, safe, efficient and sustainable operations engineering to the community at large, through:

- Improving professional education, training, competence and ethics;
- Influencing legislation and design;
- Enhancing public understanding of the contribution of the Society and its membership to the community;
- Promoting the benefits of membership and professional registration.

2021 BUSINESS PLAN

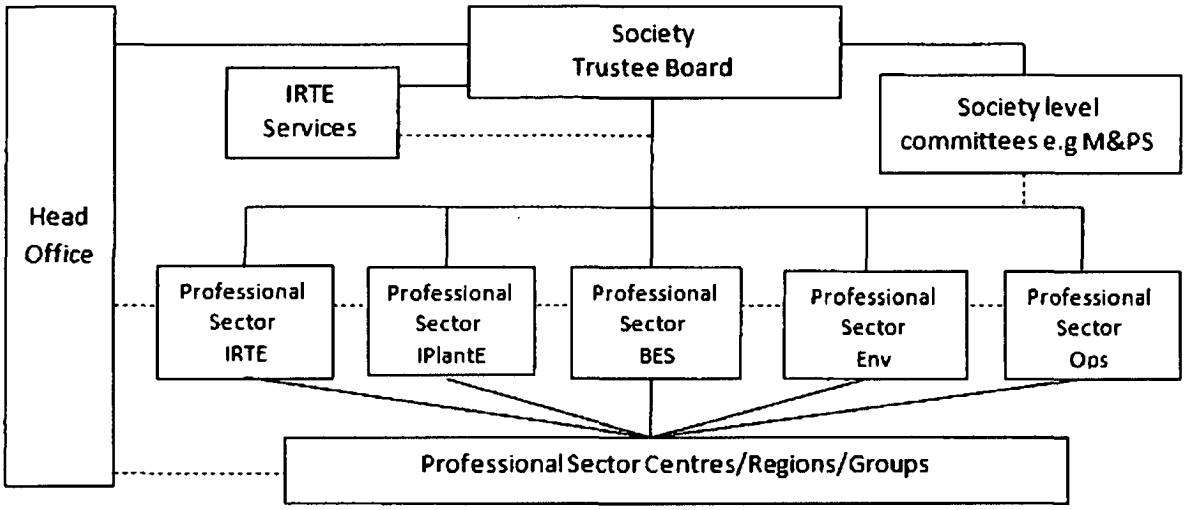
In 2021 the Society, like all other organisations, had to continue to adapt its plans to allow for the impact of the Covid-19 pandemic. After an initial period of optimism regarding a return to normality the discovery of a new strain and subsequent reintroduction of restrictions meant that many activities, including events, had to be shifted from face to face to online, utilising online conferencing tools.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure
The Society is governed by a Trustee Board, comprising sixteen members, who are responsible for the overall governance of the Society. The Board is supported by the trading company, IRTE Services Limited, the Audit and Risk committee the Membership & Professional Standards committee and the Professional Sector Councils.

Society of Operations Engineers

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021



The primary role of the IRTE Services Board is the management of the Commercial Vehicle Show and the IRTE Workshop Accreditation Scheme. The Membership & Professional Standards Committee is responsible for setting and maintaining professional standards and their role includes monitoring all applications from individuals wishing to join the Society or to register with the Engineering Council or the Society for the Environment. The Professional Sector Councils have responsibility for ensuring that the Society provides relevant support and professional development opportunities for their sector members.

The Society's finances are regularly reviewed by the Audit and Risk committee. The Trustees also monitor performance against the business plan, the adequacy of the Society's reserves and the financial performance against budget.

Trustee selection, training and competence

The Trustee Board are principally elected by voting members of the Society. The exception is the Chair of IRTE Services Limited, Honorary Treasurer, Honorary Secretary, Chair of the Membership and Professional Standards Committee and the President of the Society. The President elect and immediate past President are ex officio members of the Trustee Board. At least 50% of the Professional Sector Council members are elected from and by the voting members of the professional sectors. The Trustee Board and the Professional Sector Councils annually conduct a review of skills needed and recruitment opportunities. The Trustee Board and the Professional Sector Councils are also able to co-opt key members with appropriate skills and knowledge to join and contribute to their activities.

The Nominations Committee continue to support the process of succession planning for the Society. The committee is Chaired by the President Elect and is responsible for ensuring plans are in place for orderly succession to Board positions and senior Board roles and oversees the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the Society, and the skills and expertise needed on the Board in the future.

Upon taking up their post, newly elected Trustees receive training covering corporate governance, charity law and policies and procedures of the Society. The Trustees and members of the Professional Sector Councils are subject to the Society's Code of Conduct. The Trustees confirm that they have complied with the requirements of the Charities Act 2011 to have due regard to the Charity Commission's published general guidance on public benefit.

Society of Operations Engineers

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

In addition to those listed on page 2, the following Trustees also served on the Board during the year:

A Fraser-Hitchen CEng FSOE (resigned Aug 2022)
SA Catte IEng CEnv HonFSOE HonFIPlantE (resigned Oct 2021)
D Young IEng FSOE FBES (resigned Jun 2022)
AS Robinson CEng MSOE MIRTE MIPlantE (resigned Nov 2021)
AI Jackson CEng FSOE FIPlantE (appointed Nov 2021, resigned Jun 2022)
AJ Cockcroft EngTech MSOE MIRTE (appointed Oct 2021, resigned Jun 2022)
A Reid IEng CEnv FSOE FBES (resigned Jun 2022)
AD Jolliffe MSOE MIRTE (resigned May 2022)

Staff
Bruce McGill, Chief Executive, oversaw the implementation of the 2021 business plan agreed by the Trustee Board. Key management personnel are those senior managers identified on page 2. Their pay and benefits are reviewed annually in line with similar positions in the charity sector. In an effort to better align the staff team to implement outputs and offer greater support, the Trustees agreed to certain alterations to the head office structure. These changes took place in 2022 and included the redundancy of the Chief Executive Officer. The Trustees would like to thank Mr McGill for his time at the Society and leading the organisation through the difficulties presented by the pandemic.

Volunteers
The Trustees are appreciative of the many members who give of their time to serve on the Professional Sector Councils and Committees both centrally and in the regions. There are some 250 volunteers who serve the Society in a variety of roles and responsibilities. The Trustees are aware that time given by the volunteers is extremely valuable and an important part of the running of the organisation.

Risk Management
The Trustees are responsible for the management of risks faced by the Society and seek early identification, evaluation and effective management and mitigation of key risks. A formal review of the Society's risk management process is undertaken on an annual basis. The Audit and Risk Committee is responsible for regularly reviewing the risk register and reporting to the Trustee Board. Other controls include comprehensive strategic planning, budgeting and management reporting, formal lines of reporting and written procedures including authorisation of procurement and approval levels.

The principal risks to the Society, identified by the Trustees are:

- *Loss of membership and licenced body status with Engineering Council and Society for the Environment* - with Board approval, the Membership and Professional Standards Committee has continued to initiate new campaigns to improve recruitment and retention of members and to ensure compliance with the Engineering Council and Society for the Environment regulations.
- *Loss of income from the Commercial Vehicle Show* - income from the Show is a significant part of the Society's overall income. The Covid-19 pandemic has substantially increased the nature of this particular risk and led to increased measures to monitor and mitigate the risk by reducing the Society's reliance on the Show's income and diversifying other income streams.
- *Damage to reputation* - the Board is aware of the need for consistent and clear communications that ensure all members of the Society feel informed and engaged with the activities and strategic focus of the Society.
- *Loss of charitable status* – the Board and senior staff regularly review and update the Society's activities to ensure they are in-line with the latest Charity Commission requirements and regulations.

Governance and Patron
Sir John Parker was appointed as Patron of the Society in July 2019 and has represented the Society at a number of events including the IRTE Skills Challenge. Unfortunately, the pandemic meant the cancellation of the majority of Society events in 2021.

The Society continues to review its governance documents against the Charity Governance Code and updating its Memorandum and Articles of Association to represent best practice. At an Extraordinary General Meeting

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

in July 2022, the membership voted to agree an updated version of the Memorandum and Articles of Association which will now be flushed through all other related documents.

The updated Memorandum and Articles of Association brings the Society inline with recognised best practice within the Professional Engineering Institute community and was a key requirement of extending the organisations license with the Engineering Council. It will allow for changes to the Board structure, modernising its running and ensuring greater representation of the Society's Sectors.

The Society is led by its Trustee Board and supported by cross sector Committees including the Membership & Professional Standards Committee and the Audit & Risk Committee, providing detailed oversight and scrutiny of key areas of operation for the Society. Each Sector has its own Professional Sector Councils which feeds into these committees and decision-making process (see organisation chart on page 4).

The Audit & Risk Committee continue to ensure detailed oversight and scrutiny of key areas of operation for the Society. Terms of reference for the committee include:

- Review annual accounts for the Society and IRTE Services Limited, and attend auditors annual meeting
- Review the investment portfolio of the Society
- Review and update the risk register
- Oversee the annual insurance renewal

REVIEW OF ACTIVITIES

Upon entering 2022, the Society had wide ranging plans intended to support its Vision. These were based on the prevailing feeling of an expected return to normality and the opportunity to regain ground lost due to the pandemic. The centre around building international relationships, expanding events and developing commercial activities through accreditations. However, a return of restrictions due to a new strain of the virus made it clear that, once again, some activities, mainly focused on international development and live events, would not be possible and the business plan was revised accordingly.

The Society continued to utilise improved video conferencing platforms to strengthen relationships with key industry partners and to take part in the development of accreditations and delivery of CPD. The Society continued to work with key partners to enhance their apprenticeship programmes and supported the HGV and Bus & Coach Trailblazer group, providing apprentices with technical information through publications, website updates and assisting them to register with the Engineering Council and the Society for the Environment.

Despite the continued effects of the pandemic there have been a number of successes to report, the inaugural Safety & Sustainability Awards, the return of the Skills Challenge and continued influence upon decision makers within relevant sectors and the introduction of the Society's webinar series.

Although the Society is a membership body, the majority of its activities are open to the public and are relevant to a wide array of specialisms and interests related to engineering. By making most of its events and published content available to all, the Society aims to improve standards of training and competence across all operations engineering fields.

Senior members of staff and members of the Trustee Board, the IRTE Services Board and the four Professional Sector Councils attended a number of meetings with the Society's business partners in order to raise the profile of the organisation as well as its Professional Sectors. Meetings have been held with Department for Transport (DfT), Institute of Motor Industry (IMI), Logistics UK (Logistics), Road Haulage Association (RHA), The Society of Motor Manufacturers & Traders (SMMT), Garage Equipment Association (GEA), Chartered Institute of Transport (CILT), Driver Vehicle Standards Agency (DVSA), Traffic Commissioners, HSE, Safety Assessment Federation (SAFed), Institute for Apprenticeships, vehicle manufacturers, fellow Professional Engineering Institutions and key industry stakeholders.

Society of Operations Engineers

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

Services to Engineers

By constantly reviewing the quality of information it provides to its members, the Society aims to ensure that standards of engineering in the relevant fields are maintained, ensuring that only competent practitioners serve the public. A number of best practice guides have been updated or published in 2021, which are available on the Society's website. The Society has also helped new engineers develop in their chosen field by assessment and accreditation of relevant training courses.

The Society continued to make improvements to its digital platform, including streamlining the user journey and improved signposting of key information. As a result, we continue to see a rise in online traffic and are better able to customise members experiences.

The Society e-newsletter is circulated to some 15,500 members and 2,500 non-members. Regular coverage in trade and regional publications also continues to increase ensuring that members are aware of the Society's activities.

Engineering Council registration is an important consideration for new members joining the Society as it demonstrates their engineering competency and is recognised throughout the world. During 2021, the Society registered 179 new Chartered Engineers, Incorporated Engineers and Engineering Technicians with the Engineering Council, we also supported 89 registrants from our affiliate programs.

Organisations continue to support Engineering Council registration, and many are now ensuring that all employees are professionally registered at the point of applying for membership. A streamlined process has been developed to allow these individuals to be fast tracked through the system.

The Society was awarded licensed body status by the Society for the Environment in 2011 enabling the Society to award the title of Chartered Environmentalist (CEnv) to suitably qualified individuals, in 2020 the Society was also granted the licence to award Registered Environmental Practitioner (REnvP).

Membership acquisition for the Society remained steady throughout 2021 and surpassed expectations. This can be attributed to the end of the furlough scheme, recruitment campaigns by Corporate Partners and promotional work by the Society highlighting the employability of registered individuals. Online recruitment remains the main source for new members. The Society will carry out targeted marketing campaigns throughout 2022, with a particular emphasis on apprentices and those linked with the environmental sector.

The Society continues to support apprenticeship schemes across relevant sectors including offering free apprentice membership to MAN, DAF Trucks and Stagecoach. Despite restrictions the IRTE Skills Challenge was able to go ahead, taking place at Williams F1 Conference Centre in October.

The Society has accredited a number of courses during the year including courses approved as meeting the academic requirements of the Engineering Council as Incorporated Engineers and Engineering Technicians and also those meeting the Society's academic requirements for Continuing Professional Development (CPD).

There were 2,086 irtec licences awarded in 2021.

Regional Groups and Centres

Due to the national restrictions brought about by the pandemic all of the Society's Regional Groups and Centres cancelled face to face meetings and CPD presentations. Many committees continue to meet online The Hong Kong Regional Group was also severely affected by the pandemic and had to cancel all planned events.

Publications

The Society's has two publications, *Transport Engineer* and *Operations Engineer*. They are designed to help all involved with operations engineering to keep up to date with latest developments. All members receive the publication that is most relevant to them as part of their membership but there are also many non-members who subscribe to these publications. All members also receive a copy of the Society's quarterly newsletter, *SOE News*. Corporate Partners receive copies of these publications to distribute amongst their staff and other key organisations also receive copies on a regular basis.

Society of Operations Engineers

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

Education
We recognise that, as a Professional Engineering Institution, we have a responsibility greater than simply recruiting competent persons into membership. As an independent body we strive to ensure that the public is aware of the importance of engineering in general and of it being conducted by competent persons. We ensure that members' skills are kept up to date through technical publications, the website, CPD lectures and networking meetings with their peers.

The Society's webinar series has developed to a central part of the membership offering delivering monthly online opportunities for our members to receive CPD.

The Society, through its IRTE Professional Sector continues to work with the Traffic Commissioners and the Driver and Vehicle Standards Agency (DVSA) who support the accreditation of workshops and licensing of technicians. The Society's technician licensing scheme (irtec) and the IRTE Workshop Accreditation Scheme are important in raising standards of vehicle maintenance and compliance across the road transport industry and continue to be sign posted through the DVSA's Guide to Roadworthiness and the Fleet Operators Recognition Scheme (FORS).

The Society was delighted to hold the inaugural Safety & Sustainability Awards in October. Awards were presented across the respective regions withing the Society culminating in the Sir Moir Lockhead Award acknowledging leaders in safety. The event was well attended and fully funded through sponsorship from key industry partners. The Society also continued to be fully committed to recognising excellence across our Professional Sectors through regional awards and have publishing a number of case studies to highlight best practice.

The IRTE Professional Sector continues to work with the IMI in developing irtec, with the key objectives of improving industry standards and the competence of technicians working in the industry. The irtec Steering Group meets regularly with the remit of ensuring the irtec scheme continues to comply with industry requirements. Members of the group include representatives from manufacturers, operators, bus companies and training providers.

Fundraising
The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Trading Company Activities
The Commercial Vehicle Show was able to go ahead, albeit at a postponed date towards the end of the year. A smaller show than in previous years, it was the first road transport conference to take place once restrictions were lifted and was well received by the industry. The 2022 Commercial will be pushed back to accommodate the delivery of the postponed 2021 show and is due to take place at the NEC in June.

The IRTE Workshop Accreditation Scheme was developed in consultation with industry, vehicle manufacturers and key government agencies to deliver an independent accreditation scheme to regulate and improve industry standards for maintenance providers. The Scheme is owned by IRTE Services Limited and is delivered by trusted partners, including the Freight Transport Association, S & B Automotive and the Road Haulage Association. The IRTE Services Limited Board has overall responsibility for the governance and development of the Scheme. Around 600 workshops have been audited since the scheme started with more audits being arranged. The Accreditation Scheme has been recently been updated to include the addition of electric vehicles to fleets.

FINANCIAL REVIEW

Results
The Statement of Financial Activities (SOFA) for the year is set out on page 16 of the financial statements. The surplus for the year (including gains on investment) is £59,098 compared to the surplus last year of £59,587. Charitable income of £1,843,681 in 2021 is £98k higher than in 2020. This reflects the improvement in volume

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

of economic activity after the pandemic leading to increases in workshop accreditation inspections, irtec licences and advertising income. Investment income totalled £63k (2020: £58k).

The results for the year to December 2021 show an operating loss of £161,127 compared to an operating loss of £350,271 in 2020. By absorbing its share of the loss from the CV show of £135,558 (2020: £366,599 profit) the overall position is a deficit of £296,685 (2020: surplus £16,328). The realised and unrealised profit on investments in 2021 of £355,783 (2020: £43,259) gives an overall net movement upwards for the year of £59,098 (2020: £59,587).

Investment powers and policy

The Society's investments are managed by Rathbones Investment Management Limited in accordance with the discretionary management agreement and the agreed investment policy. Rathbones reports quarterly and annually to the Trustee Board. The Trustees recognise there is risk associated with investment in mainstream financial markets and accept this risk in return for the prospect of additional returns over longer periods of time. As such, the Trustees wish to remain largely invested at all times, subject to cash reserves being held as part of the investment management process and to cover liabilities. The investments should be well diversified and include a range of assets including fixed interest stocks, UK shares and overseas shares.

The investment portfolio as at 31 December 2021 was valued at £3,091,643 (2020: £2,725,778) comprising 7% fixed interest funds, 38% UK equities, 40% overseas investments, and other investments 15%. As restrictions ease and the turbulence from the pandemic recedes, market confidence has increased . The total return from the portfolio was an increase of 13.6% over the year compared with an increase of 12.2% in the WM (Constrained by income) benchmark. The Trustees have reviewed the performance of the investments with the Investment Advisor and are happy to maintain the current investment strategy and will continue to closely monitor performance of the investments in the future.

Trading Company

The Society's wholly-owned trading subsidiary, IRTE Services Limited, made a net loss before gift aid and taxation of £68,356 (2020: £422,440 profit) from its activities. These activities include IRTE Workshop Accreditation and managing the Commercial Vehicle Show which is organised in partnership with the Society of Motor Manufacturers and Traders Limited (SMMT) and the Road Haulage Association (RHA). This loss from trading activities is a timing issue due to the postponement of the 2021 CV Show (normally held in April) to the end of August. As a result, the audited accounts of the CV Show LLP to their financial year ended 30 June recognised only the administrative costs incurred up to that point in time. The true profit of the 2021 Show will be finalised and recognised in 2022 and the Society's accounts will then include the profits for both the 2021 and 2022 Shows. More details can be found in notes 4&5 on pages 22 and 23.

Group reserves

The reserves policy, which is reviewed annually by the Board is formulated with regard to:

- Forecasts of future income, taking into account the reliability of existing sources and prospects for new sources;
- Forecasts of future expenditure based on planned activities;
- An analysis of any future needs, opportunities, contingencies or risks the effects of which are unlikely to be met out of income if and when they arise; and
- An assessment of the likelihood that any of these future events will arise and the potential consequences of not being able to meet them.

The Group's aim is to maintain sufficient free reserves to cover 18 months total expenditure, the target for 2020 being £3.63m (2020: £3.21m). At the year end the free reserves which consist unrestricted funds less tangible fixed assets, totalled £3.62m (2020: £3.38m). The Group did not meet this target for free reserves at the end of 2021.

The challenges facing the Society in the coming year(s) are to some extent a result of the extended economic inactivity due to COVID-19. The current economic crisis as evidenced by rising inflation and cost of living increases has reinforced the continual need for closer monitoring of the various income streams, reserves and cash-flow which may result in reserves being utilised in the short term to meet any shortfall in income. The

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees remain committed to maintaining the current policy but accept that any departure, while necessary, will be temporary until such time as funds are available to rebuild back to the 18 months target level.

Tangible and Intangible fixed assets
The freehold land and building were professionally revalued in January 2006 at approximately £2.1m. The value in use is therefore in excess of the carrying value of £1,601,730 in the financial statements. The movements in fixed assets during the year are set out in note 7 to the financial statements.

The Trustees are minded to take the long term view that even though investment values have been impacted by current events, the Society has historically been and still is able to operate without the need to dispose of its investments. The Society has no immediate plans to dispose of any of its assets.

Going Concern
Having taken into consideration the risks and challenges facing the Society and weighing them against its assets, reserves and future income streams, the Trustees are confident that the Society can and will continue to operate as a going concern.

LOOKING FORWARD

In 2022, the Society will continue to focus on its charitable objectives and the supporting goals of its business plan that include the delivery of:

- Greater engagement with existing and potential apprentice and student members
- Greater membership diversity
- Better support for existing and potential members
- Improved volunteer support and engagement
- Strengthening and developing the professional sectors
- Financial stability and good governance
- Revised and updated governance documents
- A successful Commercial Vehicle Show at the NEC in September 2022, on behalf of the Commercial Vehicle Show LLP

The Society remains focused on delivering the long-term strategic aims of its 2025 vision that include:

- Addressing the skills gap
- Encouraging diversity in engineering
- Engaging apprentice and student members
- Engaging with volunteers
- International growth
- Membership growth
- Promoting membership and registration

Statement of Trustees' responsibilities
The Trustees (who are also directors of the Society of Operations Engineers for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;

Society of Operations Engineers

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable 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, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The following statements have been affirmed by each of the Trustees of the charitable company:

- So far as each Trustee is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and

Each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITOR

Crowe U.K. LLP has indicated its willingness to be re-appointed as the statutory auditor.

Signed on behalf of the Trustees by:

J E Eastman
President

S M Stephenson
Honorary Treasurer

Date: 21 September 2022

Society of Operations Engineers

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOCIETY OF OPERATIONS ENGINEERS

Opinion

We have audited the financial statements of Society of Operations Engineers for the year ended 31 December 2021 which comprise Consolidated Statement of Financial Activities, Consolidated and Company Balance Sheets, Consolidated Cash Flow Statement and notes to the financial statements, including 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 the charitable company's affairs as of 31 December 2021 and of the group's income and expenditure 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 charitable group 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

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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 this gives rise to a material misstatement in the

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOCIETY OF OPERATIONS ENGINEERS

financial statements themselves. 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 during our audit

- the information given in the trustees' report, which includes the directors' 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 directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 in preparing the trustees' directors' report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, 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 determine 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 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 have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOCIETY OF OPERATIONS ENGINEERS

Auditor's 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 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the group's and the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the group and the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data protection Regulation (GDPR), taxation legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the

Society of Operations Engineers

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOCIETY OF OPERATIONS ENGINEERS

financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected o detect non-compliance with all laws and regulations.

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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Thomas
Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date: 28 September 2022

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account) for the year ended 31 December 2021

	Notes	Total Funds 2021 £	Total Funds 2020 £
Income and endowments from:			
Charitable activities	3	1,843,681	1,745,684
Other trading activities			
Commercial trading operations	4	354,760	350,402
Investments		62,578	58,337
Total income		2,261,019	2,154,423
Expenditure on:			
Charitable activities:	6	2,115,626	2,194,123
Other			
Commercial trading operations (including taxation)	4	287,559	294,561
Investment management fees		18,961	16,010
Total expenditure		2,422,146	2,504,694
Net gains/(losses) on revaluation and disposal of investments	9	355,783	43,259
Net income/(expenditure)		194,656	(307,012)
Other recognised gains/(losses):			
Net (loss)/income from joint ventures	5	(135,558)	366,599
Net movement in funds		59,098	59,587
Reconciliation of funds:			
Total funds brought forward		5,363,715	5,304,128
Total funds carried forward		5,422,813	5,363,715

The notes on pages 19 to 30 form part of these accounts.

The Statement of Financial Activities has been prepared in accordance with Financial Reporting Standard No 102. All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

All funds are unrestricted.

Consolidated and Society Balance Sheets

	Notes	Group 31.12.21 £	Group 31.12.20 £	Society 31.12.21 £	Society 31.12.20 £
Fixed assets					
Tangible assets	7	1,623,174	1,717,841	1,623,174	1,717,841
Intangible assets	8	180,728	270,625	180,728	270,625
Investments	9	3,091,643	2,725,778	3,091,743	2,725,878
Investment in joint venture					
Share of net assets	5	100,000	100,000	0	0
		4,995,545	4,814,244	4,895,645	4,714,344
Current assets					
Debtors	10	129,145	543,837	266,674	597,489
Cash at bank and in hand	11	1,232,429	919,236	950,590	660,822
		1,361,574	1,463,073	1,217,264	1,258,311
Creditors: amounts falling due within one year	12	(934,306)	(913,602)	(911,803)	(899,004)
Net current assets		427,268	549,471	305,461	359,307
Net assets		5,422,813	5,363,715	5,201,106	5,073,651
Funds					
Unrestricted funds	15				
General		5,201,005	5,073,551	5,142,008	5,014,064
Subsidiary trading		221,808	290,164	-	-
Profit for the year				59,098	59,587
Total Funds		5,422,813	5,363,715	5,201,106	5,073,651

The notes on pages 19 to 30 form part of these accounts.

The financial statements on pages 16 to 30 were approved by the Trustees and authorised for issue on 21 October 2022 and signed on their behalf by:

J E Eastman
President

S M Stephenson
Honorary Treasurer

Statement of Cash Flows for the year ended 31 December 2021

	Notes	Total Funds 2021 £	Total Funds 2020 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities		288,264	(138,714)
Cash flows from investing activities:			
Dividends, interest and rents from investments		62,578	58,337
Purchase of property, plant and equipment		(8,607)	(14,422)
Proceeds from sale of investments		286,960	619,231
Purchase of investments		(297,041)	(598,357)
Investment managers fees		(18,961)	(16,010)
Net cash provided by (used in) investing activities		24,929	48,779
Cash flows from financing activities:		0	0
Change in cash and cash equivalents in the reporting period		313,193	(89,935)
Cash and cash equivalents at the beginning of the reporting period		919,236	1,009,171
Cash and cash equivalents at the end of the reporting period		1,232,429	919,236

Reconciliation of net income/(expenditure to net cash flow from operating activities		
Net income/(expenditure) for the accounting period as per the statement of financial activities	59,098	59,587
Adjustments for:		
Depreciation charges	193,170	203,652
(Gains)/Losses on investments	(355,783)	(43,259)
Dividends, interest and rents from investments	(62,578)	(58,337)
Investment managers fees	18,961	16,010
Decrease/(Increase) in debtors	414,692	(167,468)
Increase/(decrease) in creditors	20,704	(148,899)
Net cash provided by (used in) operating activities	288,264	(138,714)

Analysis of cash and cash equivalents		
Cash in hand	1,232,429	919,236
Total cash and cash equivalents	1,232,429	919,236

Notes to the financial statements for the year ended 31 December 2021

1. Accounting policies

i. Company Information and Objectives

The Society of Operations Engineers is a registered charity (reg. no. 1081753) and company (reg. no. 3667147) which is incorporated and domiciled in the United Kingdom. The address of the registered office is 22 Greencoat Place, London SW1P 1PR

To improve and elevate technical and general understanding, knowledge, skill and competence of persons engaged or desiring to be engaged in operations engineering or any related employment, and the integrity and repute of the profession thereof.

To promote and encourage the advancement of science, technology and practice, and inventions and improvements in the field of operations engineering and any other related branches of engineering, and the dissemination and exchange of ideas, information and knowledge thereof.

By means of the above, but without prejudice to the generality thereof, to promote the safety, efficiency and environmental sustainability of operations engineering to the benefit of the community at large.

ii. Basis of accounting

These financial statements have been prepared in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006 and UK Generally Accepted Practice.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the Society, its subsidiary IRTE Services Limited and dormant subsidiaries (note 18) and include the results of the Society's regional groups and centres on a line by line basis.

The Society's annual share of the profits/losses from its joint venture are included in the Statement of Financial Activites and its share of the net assets are included in the balance sheet.

The Society meets the definition of a public benefit entity under FRS 102.

The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments.

Having assessed the charity's financial position, its plans for the foreseeable future and the risks to which it is exposed, the trustees are satisfied that it remains appropriate to prepare the financial statements on a going concern basis.

iii. Functional & presentation currency

The functional currency of the charity and its subsidiary is considered to be pounds sterling because this is the currency of the primary economic environment in which the charity operates. The consolidated financial statements are also presented in pounds sterling.

Notes to the financial statements for the year ended 31 December 2021

1. Accounting policies (continued)

iv. Critical accounting judgements and key sources of estimation uncertainty (policy)

In the application of the charity's accounting policies, which are described in notes I, the Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

v. Incoming Resources

All incoming resources from membership, education, events and publications for the year are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

vi. Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to an expenditure group. Salaries are allocated in proportion to the Society's staff time spent on each expenditure group. Support costs are those costs incurred directly in support of the objects of the charity and also allocated to each expenditure group on the basis of staff time. Governance costs are those incurred in connection with the governance of the charity, including compliance with constitutional and statutory requirements. Irrecoverable VAT is written off as incurred.

vii. Depreciation

a. ***Land and buildings***

Depreciation has been charged at 2% on half of the cost of land and buildings, this being the proportion relating to the building only.

b. ***Other fixed assets***

The following annual rates of depreciation on cost have been applied:

Furniture and fittings	20%
Property improvements	10%
Office equipment	20%
Computers	33%

c. ***Intangible assets***

Digital infrastructure	20%

Assets over the value of £1,000 are capitalised.

Notes to the financial statements for the year ended 31 December 2021

1. Accounting policies (continued)

viii. Pension scheme

The Society operates a Group Personal Pension Plan (Group PPP) which is a money purchase scheme. Pension costs are charged to the SOFA, representing a constant percentage of earnings payable by the Society to employee's plans. The Society has also made provision for employees not covered by the Group PPP to take out stakeholder pensions, in order to comply with current legislation.

ix. Furlough income

Government grants are recognised on the performance model, when the charity has complied with any conditions attaching to the grant and the grant will be received. The grant in connection to the job retention scheme has been recognised in the period to which the underlying furloughed staff costs relate to. Included in income is an amount of £50,659 in respect of the Coronavirus Job Retention Scheme.

x. Publications

As in previous years the postage costs relating to the distribution of the SOE News are included under this heading.

xi. Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date. All differences are taken to the SOFA.

xii. Income and expenditure

As permitted by Section 408 of the Companies Act 2006, the income and expenditure of the parent undertaking is not presented as part of these accounts.

xiii. Financial Instruments

If the charity has any basic financial instruments, they are initially recognised at transaction value and subsequently measured at amortised costs using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade and other creditors.

Investments, including bonds held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

xiv. Gift Aid

Donations to the parent charity are recognised as an expense either when paid or at the date when the company has a legal liability to make the donation payment, if earlier.

2. Taxation

As a registered Charity, the Society is not liable to Corporation Tax on its income.

Notes to the financial statements for the year ended 31 December 2021

3. Income from charitable activities

Activities in furtherance of the charity's objects	Society Year to 31.12.21 £	Year to 31.12.20 £
Membership	1,303,523	1,318,462
Education and Events	212,026	81,829
Publications	170,959	139,100
Income from regional groups and centres	7,726	12,576
Room rental and sundry income	149,447	193,717
	1,843,681	**1,745,684**

4. Commercial trading operations

The Society has a subsidiary that has been trading since 11 October 1993 and pays all its profits to The Society of Operations Engineers by gift aid. The principal activity of the Company is to raise funds in order to promote the aims of the Society.

The Society holding in the issued ordinary share capital of £100 is as follows:

Name	Country of Registration	Registration Number	Proportion held 31.12.21	31.12.20
IRTE Services Limited	England and Wales	2854868	100%	100%

A summary of IRTE Services Limited's results are shown below and audited accounts will be filed with the Registrar of Companies at Companies House.

Profit and Loss Account for the year ended 31 December 2021	Year to 31.12.21 £	Year to 31.12.20 £
Turnover	354,725	349,846
Expenditure		
Cost of sales	(281,042)	(288,260)
Administrative expenses	(6,517)	(6,301)
	(287,559)	(294,561)
Operating Profit/(Loss)	67,166	55,285
Interest receivable	36	556
Profit/(Loss) on ordinary activities	67,202	55,841
Net (Loss)/Income from Joint Venture	(135,558)	366,599
(Loss)/Profit before gift aid and taxation	(68,356)	422,440
Amount gifted to the society	0	(422,804)
(Loss)/Profit before taxation	(68,356)	(364)
Taxation	0	0
Retained profit for the year	(68,356)	(364)

The company incurred corporation tax in the year of £Nil (2020: £Nil). No further provision for corporation tax has been made on the company's profit for the year due to its policy of donating all its tax adjusted profits available for distribution under gift aid to its ultimate parent undertaking within nine months of each year-end date and because the company early implemented FRS 102 para 29.14A.

Notes to the financial statements for the year ended 31 December 2021

4. Commercial trading operations (continued)

IRTE Services Limited The aggregate of the assets, liabilities and funds was:	As at 31.12.21 £	As at 31.12.20 £
Assets	401,532	744,568
Liabilities	(179,724)	(454,404)
Funds	221,808	290,164

The costs of the Commercial Vehicle Show LLP management team totalling £259,599 (2020: £259,028) are recharged to IRTE Services Limited by the SOE. One of the tenants occupying office space in the SOE buiding is a firm of solicitors which includes amongst its partners, a director of IRTE Services Limited. The contractual arrangements are at arms length and the tenant pays rent at a commercial rate. IRTE Services Limited paid £422,804 as Gift Aid to the SOE in respect of the 2020 profit. The directors of IRTE Services Limited have agreed not to declare a Gift Aid donation for 2021.

	At 31.12.21	At 31.12.20
Amount owing by/(to) parent company (included in liabilities)	(802)	(423,197)

5. Joint Venture

IRTE Services Limited has a 33.33% interest in the Commercial Vehicle Show Limited Liability Partnership.

Summary financial information of the CV Show LLP	Year to 30 June 2021 Partnership total £	 SOE share £
Profit and Loss Account		
Turnover	0	0
	Year to 30 June 2021	
Operating (Loss)/Profit	(406,675)	(135,558)
Interest receivable	0	0
Partners' Asset	300,000	100,000
Balance Sheet	As at 30 June 2020	
Current Assets	2,405,551	801,850
Current Liabilities	(2,105,551)	(701,850)
Net Assets	300,000	100,000
Represented by:		
Partners' Capital Accounts	300,000	100,000
Partners' Current Accounts	0	0
	300,000	100,000

The Partnership prepares accounts to 30 June and the above extract is therefore from the most recently available accounts.

Notes to the financial statements for the year ended 31 December 2021

6a. Analysis of charitable expenditure

Year to 31 December 2021	Staff Costs £	Support Costs £	Other Direct Costs £	Total £
Services to engineers	430,807	239,441	28,055	698,302
Regional groups and centres	33,852	18,815	87,316	139,983
Publications	58,196	32,345	350,778	441,319
Education	126,491	70,303	14,588	211,382
Marketing, committees and exhibitions	202,638	112,627	113,327	428,592
Governance	105,022	58,371	32,656	196,049
	957,006	**531,902**	**626,720**	**2,115,627**
Year to 31 December 2020 (Prior Year)	**£**	**£**	**£**	**£**
Services to engineers	475,080	235,334	50,616	761,030
Regional groups and centres	49,074	24,309	102,492	175,875
Publications	60,349	29,894	414,855	505,098
Education	134,743	66,746	6,561	208,050
Marketing, committees and exhibitions	207,857	102,963	43,850	354,670
Governance	103,987	51,510	33,903	189,400
	1,031,090	510,756	652,277	2,194,123

6b. Analysis of support costs

	Premises	Communications and IT	Postage & Printing	Financial Costs	Depreciation	Total
Engineers	47,949	73,125	2,163	29,246	86,958	239,441
Regions	3,768	5,746	170	2,298	6,833	18,815
Publications	6,477	9,878	292	3,951	11,747	32,345
Education	14,078	21,471	635	8,587	25,532	70,303
Marketing/Publicity	22,554	34,396	1,018	13,757	40,902	112,627
Governance	11,689	17,826	527	7,130	21,199	58,371
Total Support	**106,515**	**162,442**	**4,805**	**64,969**	**193,170**	**531,902**
Total Support costs 2020	**95,615**	**131,189**	**19,270**	**61,030**	**203,652**	**510,756**

6c. Governance costs are made up of the following:

Governance costs include audit fees of £18,600 (2020: £17,800), non audit fees of £3,350 (2020: £3,585). All 16 Trustees (including the 7 Directors of IRTE Services Ltd) claim out of pocket expenses in relation to travel and subsistence costs for attendance at meetings and representation events amounting to £7,431 (2020: £10,344); Trustees' and Officers' liability insurance £2,962 (2020: £2,738); remainder is expenditure on legal and other administrative costs and an apportionment of staff time.

Notes to the financial statements for the year ended 31 December 2021

7. Tangible fixed assets

Group and Society	Land and buildings freehold	Computer and other assets	Total
Cost	£	£	£
Cost at 31 December 2020	2,257,845	132,617	2,390,462
Additions	0	8,607	8,607
Cost at 31 December 2021	2,257,845	141,224	2,399,069
Depreciation			
Balance at 31 December 2020	567,406	105,215	672,621
Charge for the year	88,709	14,565	103,274
Balance at 31 December 2021	656,115	119,780	775,895
Net book value at 31 December 2021	1,601,730	21,444	1,623,174
Net book value at 31 December 2020	1,690,439	27,402	1,717,841

8. Intangible fixed assets

Group and Society	Digital Infrastructure
Cost	£
Cost at 31 December 2020	449,485
Additions	0
Fully depreciated and written off	0
Cost at 31 December 2021	449,485
Depreciation	
Balance at 31 December 2020	178,860
Charge for the year	89,897
Asset Write downs from previous years	0
Balance at 31 December 2021	268,757
Net book value at 31 December 2021	180,728
Net book value at 31 December 2020	270,625

Notes to the financial statements for the year ended 31 December 2021

9. Investments

Group Listed stocks and shares	31.12.21 Cost £	31.12.21 Market Value £	31.12.20 Cost £	31.12.20 Market Value £
UK Gilts and other fixed interest	194,897	209,389	194,322	220,069
UK Equities	736,424	1,190,148	771,026	1,114,897
Alternatives & Hedge Funds	434,807	466,114	263,717	271,695
Overseas investments	769,149	1,225,992	782,919	1,119,117
Investments total	2,135,277	3,091,643	2,011,984	2,725,778

Movements during the year Group	Year to 31.12.21 £	Year to 31.12.20 £
Market value as at start of year	2,725,778	2,703,393
Purchases during the year	297,041	598,357
Sales at market value prior to disposal	(268,901)	(652,029)
Unrealised (loss)/gain on revaluation	337,369	75,999
Non market transactions	356	58
Market value as at end of year	3,091,643	2,725,778
Realised gain on disposal of investments	18,058	(32,798)
Unrealised (loss)/gain on revaluation	337,369	75,999
Gain/(losses) on non market transactions	356	58
Net gains/(losses) on revaluation and disposal of investments	355,783	43,259

Investments over 5%
The following investments have a market valuation of over 5% of the total investment valuation:
JP Morgan Asset Mgrs (UK) US Equity Income Hedged £148,596 (5.9%)

Society
The Society's investments include a further £100 investment in IRTE Services Limited (see note 4).

10. Debtors

	Group		Society	
	31.12.21 £	31.12.20 £	31.12.21 £	31.12.20 £
Trade debtors (less bad debts)	177,427	74,359	157,735	56,102
Owed by subsidiary undertaking	0	0	802	423,197
VAT	0	0	18,325	16,610
Other debtors	(138,094)	368,881	0	983
Prepayments and accrued income	89,812	100,597	89,812	100,597
	129,145	543,837	266,674	597,489

Notes to the financial statements for the year ended 31 December 2021

11. Cash and bank balances

	Group		Society	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Deposit and current accounts	1,232,329	919,036	950,490	660,622
Cash in hand	100	200	100	200
	1,232,429	919,236	950,590	660,822

12. Creditors: amounts falling due within one year

	Group		Society	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Subscriptions in advance	548,977	521,467	548,977	521,467
Trade and other creditors	228,704	229,318	211,364	229,073
Social security and other taxes	30,368	31,100	30,368	31,100
VAT	(537)	723	0	0
Accruals and deferred income	126,794	130,994	121,094	117,364
	934,306	913,602	911,803	899,004

Creditor accruals totalled £ Nil (2020: £Nil). The deferred income includes office rental income from tenants.

13. Capital Commitments and Operating Leases

During 2020, the Group entered into a three year operating lease agreement to hire two office photocopiers. The quarterly payment includes the rental and maintenance of these equipment. The outstanding contractual rental payments at year end totalled £5,252 (2020: £6,848)

14. Lessor Accounting

The Group has a number of lease and licence to occupy agreements with tenants occupying office space on the ground and second floors of 22 Greencoat Place. These agreements are open ended with notice periods of either three (for licences to occupy) or six (for leases) months required for either party to terminate the agreement.

The annual income from these agreements, should no termination take place is £124,067

Notes to the financial statements for the year ended 31 December 2021

15. Reserves

	General Reserves £	Regional Reserves £	Total Reserves £
Year to 31 December 2021			
Group			
Balance at 31 December 2020	5,278,650	85,065	5,363,715
Surplus/(Deficit) for the year	67,999	(8,901)	59,098
Balance at 31 December 2021	5,346,649	76,164	5,422,813
Represented by			
Fixed assets	4,995,545	0	4,995,545
Cash at bank and in hand	1,156,265	76,164	1,232,429
Other net current assets	(805,161)	0	(805,161)
	5,346,649	76,164	5,422,813
Society			
Balance at 31 December 2020	4,988,586	85,065	5,073,651
Surplus/(Deficit) for the year	136,356	(8,901)	127,455
Balance at 31 December 2021	5,124,942	76,164	5,201,106
Represented by			
Fixed assets	4,895,645	0	4,895,645
Cash at bank and in hand	874,426	76,164	950,590
Other net current assets	(645,129)	0	(645,129)
	5,124,942	76,164	5,201,106
Year to 31 December 2020			
Group			
Balance at 31 December 2019	5,211,092	93,036	5,304,128
Surplus/(Deficit) for the year	67,558	(7,971)	59,587
Balance at 31 December 2020	5,278,650	85,065	5,363,715
Represented by			
Fixed assets	4,814,244	0	4,814,244
Cash at bank and in hand	834,171	85,065	919,236
Other net current assets	(369,765)	0	(369,765)
	5,278,650	85,065	5,363,715
Society			
Balance at 31 December 2019	4,920,664	93,036	5,013,700
Surplus/(Deficit) for the year	67,922	(7,971)	59,951
Balance at 31 December 2020	4,988,586	85,065	5,073,651
Represented by			
Fixed assets	4,714,344	0	4,714,344
Cash at bank and in hand	575,757	85,065	660,822
Other net current assets	(301,515)	0	(301,515)
	4,988,586	85,065	5,073,651

Notes to the financial statements for the year ended 31 December 2021

16. Staff

	Year to 31.12.21 £	Year to 31.12.20 £
The total staff emoluments including taxable benefits for the year:		
Gross salaries permanent and temporary staff	804,285	869,175
Employer's NI	87,030	93,985
Employer's pension	56,045	59,194
Life assurance cover	3,930	4,692
	951,290	1,027,046

Redundancy and termination payments totalling £1,614 (2020: £11,813) were paid during the year.

	2021	2020
Key Management (defined as the senior management team):		
Total emoluments including taxable benefits for the year	552,687	602,964

During the year, payments totalling £1,800 (2020: £Nil) were paid to a Trustee as fees in connection with workshop inspections on behalf IRTE Services Ltd. No other payments were made except for out of pocket expenses (see note 6c).

	2021	2020
Average number of employees analysed by function was:		
Charitable expenditure	18	19
Management, administration and support	2	2
CV Show management team	4	4
	24	25

Number of staff whose emoluments (excluding pensions) including taxable benefits from the Society exceeded £60,000:	2021	2020
£70,001 - £80,000	1	1
£80,001 - £90,000		
£90,001 - £100,000		
£100,000 - £110,000		
£110,000 - £120,000	1	1

The Society's pension contribution for any member of staff whose emoluments exceed £60,000 is paid at the same rate as applicable to all staff eligible to join the group personal pension scheme.

17. Society Pension Arrangements

The Society's contributions made on behalf of eligible employees in the year amounted to £71,383 (2020: £75,866). (Also see note 1(vii) of the accounts.)

Notes to the financial statements for the year ended 31 December 2021

18. The Council of Management

The Trustee Board consists of 16 members including the chairs of the 5 Professional Sector Councils. No remuneration or other benefit in money or money's worth was given by the Society to any other member of the Board except out of pocket expenses (see note 6c).

19. Volunteers

The Trustees are grateful for the invaluable time and support given by the 200 volunteers who who sit on the Trustee Board, IRTE Services Board, five Professional Sector Councils, the Membership & Professional Standards Committee and Regional Committees.

20. Liability of Members

The Society is a company limited by guarantee and Clause 8 of its Memorandum of Association states that the maximum contribution for which a member can be liable in the event of the Society's liquidation is £10.

21. Dormant Companies

The following companies are subsidiaries of SOE but did not trade during the year:

Name:	Country of Registration:	Registration Number	Reserves 31.12.20 £	Reserves 31.12.20 £
Institution of Plant Engineers	England & Wales	419646	1,000	1,000
Institute of Road Transport Engineers	England & Wales	395541	1,000	1,000

Both of these companies are limited by guarantee.

22. Financial Instruments

At the balance sheet date, the consolidated group held financial assets at amortised cost comprising investment in joint venture, trade debtors, other debtors and cash and cash deposits of £1,509,856 (2020: £1,456,842) and financial liabilities at amortised cost comprising trade and other creditors and accruals of £385,279 (2020: £392,135).

Total interest income received in respect of financial assets held at amortised cost totalled £63 (2020: £477). The charity held financial assets at fair value through income or expenditure company investments of £3,091,643 (2020: £2,725,778). Movements in the year through the Statement of Financial Activities comprise dividend income of £62,515 (2020: £57,861) and net gains of £355,783 (2020: £43,259)

THE SOCIETY OF OPERATIONS ENGINEERS

England & Wales - Charity number 1081753

Accounts

Society of Operations Engineers

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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Registered Office
22 Greencoat Place, London SW1P 1PR
Registered in England Company No 3667147 Registered Charity No 1081753
Tel: 020 7630 1111 Website: www.soe.org.uk
The Society is governed by its Memorandum and Articles of Association
VAT Registration No 751 8131 42
A company limited by guarantee
A Licensed Member of the Engineering Council and the Society for the Environment

COUNCIL STAFF AND PROFESSIONAL CONTACTS

Patron	Sir John Parker GBE
TRUSTEE BOARD	
President	MP Sweetmore EngTech MSOE MIRTE
President Elect	A Fraser-Hitchen CEng FSOE FIRTE
Immediate Past President	HM Seymour CEng CEnv FSOE FIPlantE FIRTE
BES PSC Chair	D Young IEng FSOE FBES
IPlantE PSC Chair	AJ Fitzpatrick CEng CEnv FSOE FBES FIPlantE (resigned Oct 2020)
IPlantE PSC Chair	AS Robinson CEng MSOE MIRTE MIPlantE (appointed Oct 2020)
IRTE PSC Chair	JE Eastman EngTech CEnv FSOE FIRTE
Honorary Treasurer	SM Stephenson EngTech FSOE FIRTE
Membership & Professional Standards Chair	A Reid IEng CEnv FSOE FBES
IRTE Services Limited Chair	C Grime EngTech CEnv FSOE FIRTE
Trustee	AI Jackson CEng FSOE FIPlantE
Trustee	GM Gilby IEng CEnv FSOE FIPlantE, FIRTE, FBES
Trustee	AD Jolliffe MSOE MIRTE
Trustee Co-opted	SA Catte IEng HonFSOE HonFIPlantE
Trustee Co-opted	A Foster CEng FSOE FIRTE (resigned October 2020)
Trustee Co-opted	LJ Mason Eng Tech FSOE FIRTE (resigned January 2021)
Trustee Co-opted	JS Parry FSOE FIRTE (resigned February 2021)

MANAGEMENT TEAM	
Chief Executive Officer & Company Secretary	Bruce McGill
Chief Operating Officer	Daniel Moir BA (Hons), MSOE, MIRTE
CV Show Director	Murray Ellis
PA to CEO and Office Manager	Emma Thompson MSOE MBES
Business Development Manager	Francis Mercer (left Oct 2020)
Head of Finance	Pamela Mansley FCCA
Marketing & Communications Manager	Kerry Holmes, MSc
Membership Manager	Oliver Teasell MSOE MBES
Professional Standards Manager	Robin Bates MSOE MBES
IT Manager	Cheryl Carroll

PROFESSIONAL ADVISORS

Statutory Auditor	Crowe UK LLP 55 Ludgate Hill, London EC4M 7JW
Bankers	HSBC Bank plc 333 Vauxhall Bridge Road London SW1V 1EJ
Investment Managers	Rathbone Investment Management Ltd Port of Liverpool Building, Pier Head, Liverpool L3 1NW
Solicitors	Burlingtons LLP 5 Stratford Place, London W1C 1AX

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 2020

THE TRUSTEES, who are also Directors of the Society (Company no.3667147), Registered Charity (no. 1081753) for the purposes of the Companies Act, submit their report and the audited financial statements for the year ended 31 December 2020. In preparing the report and financial statements of the Society, the Trustees have adopted the provisions of the *Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.* The Society is governed by its Memorandum and Articles of Association adopted on 12 November 1998 and last amended on 28 June 2007.

The Trustees at the date of this report, who served throughout the year except where otherwise stated, are the members of the Society's Trustee Board listed on page 2.

OBJECTIVES OF THE SOCIETY

The Society's objectives, as specified in the Memorandum of Association as its objects, are:

A. To improve and elevate technical and general understanding, knowledge, skill and competence of persons engaged or desiring to be engaged in operations engineering or any related employment, and the integrity and repute of the profession thereof.
B. To promote and encourage the advancement of science, technology and practice, and inventions and improvements in the field of operations engineering and any other related branches of engineering, and the dissemination and exchange of ideas, information and knowledge thereof.
C. By means of A and B above, but without prejudice to the generality thereof, to promote the safety, efficiency and environmental sustainability of operations engineering to the benefit of the community at large.

AIMS OF THE SOCIETY

The aims of the Society are to promote, for the public benefit, safe, efficient and environmentally sustainable operations engineering to the community at large, through:

- Improving professional education, training, competence and ethics;
- Influencing legislation and design;
- Enhancing public understanding of the contribution of the Society and its membership to the community;
- Promoting the benefits of membership and professional registration.

2019 BUSINESS PLAN

In 2020 the Society, like all other organisations, had to adapt its plans for the year to allow for the impact of the Covid-19 pandemic. A lot of activities, including events, had to be curtailed but there was also an opportunity to try new ways of engaging with members and the wider engineering community by utilising online conferencing tools.

A significant development in the early stages of the pandemic was the unavoidable decision to cancel the 2020 Commercial Vehicle show. Fortunately, the show had insurance cover for a cancellation caused by a public health emergency. This meant that financial loss was avoided, and the show reputation was preserved as all exhibitors were either refunded in full or transferred their booking to 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Society is governed by a Trustee Board, comprising fifteen members, who are responsible for the overall governance of the Society. The Board is supported by the trading company, IRTE Services Limited, the Audit and Risk committee the Membership & Professional Standards committee and the Professional Sector Councils.

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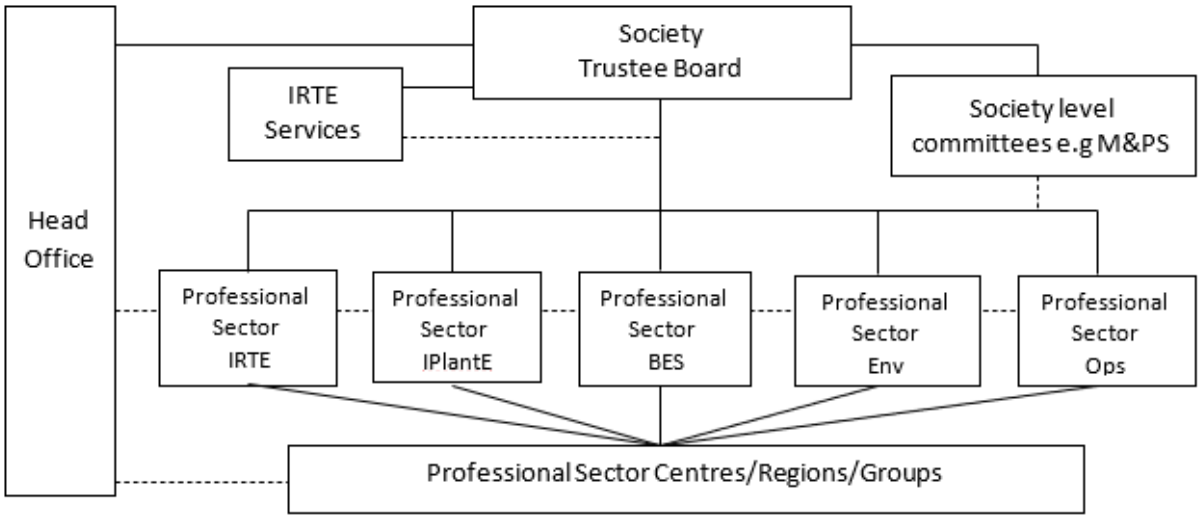

The primary role of the IRTE Services Board is the management of the Commercial Vehicle Show and the IRTE Workshop Accreditation Scheme. The Membership & Professional Standards Committee is responsible for setting and maintaining professional standards and their role includes monitoring all applications from individuals wishing to join the Society or to register with the Engineering Council or the Society for the Environment. The Professional Sector Councils have responsibility for ensuring that the Society provides relevant support and professional development opportunities for their sector members.

The Society's finances are regularly reviewed by the Audit and Risk committee. The Trustees also monitor performance against the business plan, the adequacy of the Society's reserves and the financial performance against budget.

Trustee selection, training and competence

The Trustee Board are principally elected by voting members of the Society. The exception is the Chair of IRTE Services Limited, Honorary Treasurer, Honorary Secretary, Chair of the Membership and Professional Standards Committee and the President of the Society. The President elect and immediate past President are ex officio members of the Trustee Board. At least 50% of the Professional Sector Council members are elected from and by the voting members of the professional sectors. The Trustee Board and the Professional Sector Councils annually conduct a review of skills needed and recruitment opportunities. The Trustee Board and the Professional Sector Councils are also able to co-opt key members with appropriate skills and knowledge to join and contribute to their activities.

In 2020 the Trustee Board established a Nominations Committee to support the process of succession planning for the Society. The committee is Chaired by the President Elect and is responsible for ensuring plans are in place for orderly succession to Board positions and senior Board roles and oversees the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the Society, and the skills and expertise needed on the Board in the future.

Upon taking up their post, newly elected Trustees receive training covering corporate governance, charity law and policies and procedures of the Society. The Trustees and members of the Professional Sector

Councils are subject to the Society's Code of Conduct. During 2020 all Trustees were provided with Charity Commission guidance on public benefit requirements and they ensure that they carry out their duties with regard to this guidance. The Trustees confirm that they have complied with the requirements of the Charities Act 2011 to have due regard to the Charity Commission's published general guidance on public benefit.

Staff

Bruce McGill, Chief Executive, oversaw the implementation of the 2020 business plan agreed by the Trustee Board. Key management personnel are those senior managers identified on page 2. Their pay and benefits are reviewed annually in line with similar positions in the charity sector.

Volunteers

The Trustees are appreciative of the many members who give of their time to serve on the Professional Sector Councils and Committees both centrally and in the regions. There are some 200 volunteers who serve the Society in a variety of roles and responsibilities. The Trustees are aware that time given by the volunteers is extremely valuable and an important part of the running of the organisation.

Risk management

The Trustees are responsible for the management of risks faced by the Society and seek early identification, evaluation and effective management and mitigation of key risks. A formal review of the Society's risk management process is undertaken on an annual basis. The Audit and Risk Committee is responsible for regularly reviewing the risk register and reporting to the Trustee Board. Other controls include comprehensive strategic planning, budgeting and management reporting, formal lines of reporting and written procedures including authorisation of procurement and approval levels.

The principal risks to the Society, identified by the Trustees are:

- *Loss of membership and licenced body status with Engineering Council and Society for the Environment* - with Board approval, the Membership and Professional Standards Committee has continued to initiate new campaigns to improve recruitment and retention of members and to ensure compliance with the Engineering Council and Society for the Environment regulations.
- *Loss of income from the Commercial Vehicle Show* - income from the Show is a significant part of the Society's overall income. The Covid-19 pandemic has substantially increased the nature of this particular risk and led to increased measures to monitor and mitigate the risk.
- *Damage to reputation* - the Board is aware of the need for consistent and clear communications that ensure all members of the Society feel informed and engaged with the activities and strategic focus of the Society.
- *Loss of charitable status* – the Board and senior staff regularly review and update the Society's activities to ensure they are in-line with the latest Charity Commission requirements and regulations.
- *Financial ramifications of COVID-19* – the ongoing impact of the pandemic has temporarily restricted some income streams. The Board have taken steps to mitigate this risk by monitoring and reducing costs during this period of uncertainty.

Governance and Patron

Sir John Parker was appointed as Patron of the Society in July 2019 and has represented the Society at a number of events including the IRTE Skills Challenge. The pandemic obviously restricted the occasions that Sir John could represent the Society in 2020 but the Board look forward to his renewed involvement in 2021.

The Society is reviewing its governance against the Charity Governance Code and updating its Memorandum and Articles of Association. The Trustees had planned to ask the members to formally approve revisions to the Memorandum and Articles at the 2020 AGM but decided not to proceed after it became clear that there was considerable opposition from some members to some of the proposed changes. After further review the updated governance documents will be formally submitted for approval by Members of the Society in due course.

The Audit and Risk committee continue to ensure detailed oversight and scrutiny of key areas of operation for the Society. Terms of reference for the committee include:

- Review the budgets and annual accounts for the Society and IRTE Services Limited; attend auditors annual meeting
- Review the investment portfolio of the Society
- Review and update the risk register
- Oversee the annual insurance renewal

Statement of Trustees' responsibilities

The Trustees (who are also directors of the Society of Operations Engineers for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group 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;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable 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, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The following statements have been affirmed by each of the Trustees of the charitable company:

- So far as each Trustee is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- Each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

REVIEW OF ACTIVITIES

Upon entering 2020, the Society had wide ranging plans intended to support its Vision. These included building international relationships, expanding events and developing commercial activities through accreditations. However, by the end of March as the country entered lockdown, it was clear that some activities, mainly focused on international development and live events, would not be possible and the business plan was revised accordingly.

The Society has been able to utilise improved video conferencing platforms to strengthen relationships with key industry partners and to take part in the development of accreditations and delivery of CPD. The Society continued to work with key partners to enhance their apprenticeship programmes and supported the HGV and Bus & Coach Trailblazer group, providing apprentices with technical information through publications, website updates and assisting them to register with the Engineering Council and the Society for the Environment.

Despite the effects of the pandemic there have been a number of successes to report, including an increase in the number of paying members, increased registration numbers, continued influence upon decision makers within relevant sectors and the introduction of the Society's webinar series.

Although the Society is a membership body, the majority of its activities are open to the public and are relevant to a wide array of specialisms and interests related to engineering. By making most of its events and published content available to all, the Society aims to improve standards of training and competence across all operations engineering fields.

Senior members of staff and members of the Trustee Board, the IRTE Services Board and the four Professional Sector Councils attended a number of meetings with the Society's business partners in order to raise the profile of the organisation as well as its Professional Sectors. Meetings have been held with Department for Transport (DfT), Institute of Motor Industry (IMI), Freight Transport Association (FTA), Road Haulage Association (RHA), The Society of Motor Manufacturers & Traders (SMMT), Garage Equipment Association (GEA), Chartered Institute of Transport (CILT), Driver Vehicle Standards Agency (DVSA), Traffic Commissioners, HSE, Safety Assessment Federation (SAFed), Institute for Apprenticeships, vehicle manufacturers, fellow Professional Engineering Institutions and key industry stakeholders.

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Services to engineers

By constantly reviewing the quality of information it provides to its members, the Society aims to ensure that standards of engineering in the relevant fields are maintained, ensuring that only competent practitioners serve the public. Three separate best practice guides have been updated and republished in 2020. The Society has also helped new engineers develop in their chosen field by assessment and accreditation of relevant training courses.

Having relaunched the Society's website in 2019, continued improvements to the digital platform were carried out. As a result, we continue to see a rise in online traffic, are better able to customise members experiences and deliver improved user journeys. Transport Engineer, Operations Engineer, irtec and Workshop Accreditation all have dedicated microsites to ensure the best possible user experience.

The Society e-newsletter is circulated to some 15,500 members and 2,500 non-members. Regular coverage in trade and regional publications also continues to increase ensuring that members are aware of the Society's activities.

Engineering Council registration is an important consideration for new members joining the Society as it demonstrates their engineering competency and is recognised throughout the world. During 2020, the Society registered 209 new Chartered Engineers, Incorporated Engineers and Engineering Technicians with the Engineering Council, we also supported 59 registrants from our affiliate programs.

A number of organisations, including Zurich and Allianz, have supported Engineering Council registration and are now ensuring that all employees are professionally registered at the point of applying for membership. A streamlined process has been developed to allow these individuals to be fast tracked through the system.

The Society was awarded licensed body status by the Society for the Environment in 2011 enabling the Society to award the title of Chartered Environmentalist (CEnv) to suitably qualified individuals, in 2020 the Society was also granted the licence to award Registered Environmental Practitioner (REnvP).

Membership acquisition for the Society remained steady throughout 2020 and surpassed pre covid targets. This can be attributed to targeted campaigns highlighting the employability of registered individuals, streamlined processes for Corporate Partners to onboard new starters and improved links with the military. Online recruitment remains the main source for new members. The Society will carry out targeted marketing campaigns throughout 2021, with a particular emphasis on apprentices and those linked with the environmental sector.

In 2020, as a result of the financial impact of the pandemic, the Society offered an extension to Corporate Partners annual fees. This allowed for employees to continue with their membership and registration and

continued access to important online resources. Corporate Partnership of the Society remained at the same level as 2019, with 62 organisations registered as Corporate Partners.

The Society continues to support apprenticeship schemes across relevant sectors including offering free apprentice membership to MAN, DAF Trucks and Stagecoach. Unfortunately, due to social distancing restrictions and the extreme pressure on the bus and coach industry the decision was taken to cancel the IRTE Skills Challenge for 2020.

The Society has accredited a number of courses during the year including courses approved as meeting the academic requirements of the Engineering Council as Incorporated Engineers and Engineering Technicians and also those meeting the Society's academic requirements for Continuing Professional Development (CPD).

There were 1,881 irtec licences awarded in 2020.

Regional Groups and Centres

Due to the national restrictions brought about by the pandemic all of the Society's Regional Groups and Centres cancelled face to face meetings and CPD presentations. Many committees continue to meet online while planning for the lifting of restrictions and return to physical meetings. The Hong Kong Regional Group was also severely affected by the pandemic and had to cancel all planned events.

Publications

The Society has two publications, *Transport Engineer* and *Operations Engineer.* They are designed to help all involved with operations engineering to keep up to date with latest developments. All members receive the publication that is most relevant to them as part of their membership but there are also many non-members who subscribe to these publications. All members also receive a copy of the Society's quarterly newsletter, *SOE News.* Corporate Partners receive copies of these publications to distribute amongst their staff and other key organisations also receive copies on a regular basis.

Education

We recognise that, as a Professional Engineering Institution, we have a responsibility greater than simply recruiting competent persons into membership. As an independent body we strive to ensure that the public is aware of the importance of engineering in general and of it being conducted by competent persons. We ensure that members' skills are kept up to date through technical publications, the website, CPD lectures and networking meetings with their peers.

A number of webinars have been held during the year providing opportunities for the Society to deliver CPD to members.

The Society, through its IRTE Professional Sector continues to work with the Traffic Commissioners and the Driver and Vehicle Standards Agency (DVSA) who support the accreditation of workshops and licensing of technicians. The Society's technician licensing scheme (irtec) and the IRTE Workshop Accreditation Scheme are important in raising standards of vehicle maintenance and compliance across the road transport industry and continue to be sign posted through the DVSA's Guide to Roadworthiness and the Fleet Operators Recognition Scheme (FORS).

The Society was forced to cancel the inaugural Safety & Sustainability Awards scheduled for October 2020, as a result no awards were presented. However, the Society continued to be fully committed to recognising excellence covered by our Professional Sectors and have published a number of case studies to highlight best practice.

The IRTE professional sector continues to work with the IMI in developing irtec, with the key objectives of improving industry standards and the competence of technicians working in the industry. The irtec Steering Group meets regularly with the remit of ensuring the irtec scheme continues to comply with industry requirements. Members of the group include representatives from manufacturers, operators, bus companies and training providers. Licensing levels include Service Maintenance, Inspection and Advanced. Licences are available in the following vehicle classes - Large Commercial Vehicles, Bus and Coach and Heavy Vehicle Trailer with an Electric Heavy Vehicle license launched in 2020.

Fundraising
The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Trading Company activities
The Commercial Vehicle Show, scheduled to be held at the NEC in April 2020 was cancelled as a result of the lockdown imposed by the government. Fortunately,a the show was fully insured for a public health emergency. This meant that financial loss was avoided, and the show reputation was preserved as all exhibitors were either refunded in full or transferred their booking to 2021.

The IRTE Workshop Accreditation Scheme was developed in consultation with industry, vehicle manufacturers and key government agencies to deliver an independent accreditation scheme to regulate and improve industry standards for maintenance providers. The Scheme is owned by IRTE Services Limited and is delivered by trusted partners, including the Freight Transport Association, S & B Automotive and the Road Haulage Association. The IRTE Services Limited Board has overall responsibility for the governance and development of the Scheme. Over 500 workshops have been audited since the scheme started with more audits being arranged. The Accreditation Scheme has been recently been updated to include the addition of electric vehicles to fleets.

FINANCIAL REVIEW

Results
The Statement of Financial Activities (SOFA) for the year is set out on page 16 of the financial statements. The surplus for the year (including gains on investment) is £59,587 compared to the surplus last year of £118,451. Charitable income of £1,745,684 in 2020 is £175k lower than in 2019 and this reflects the effects of the pandemic leading to decreases in workshop accreditation inspections, irtec licences and advertising income. Profit from trading activities is £422k (2019: £452k) and investment income totalled £58k (2019: £74k)

The results for the year to December 2020 show an operating loss of £350,271 compared to an operating loss of £591,660 in 2019. Despite the decreased income from the CV show of £366,599 (2019: £377,465) the overall position is a surplus of £16,328 (2019: loss £214,195). The realised and unrealised profit on investments in 2020 of £43,259 (2019: £332,646) gives an overall net movement upwards for the year of £59,587 (2019: £118,451).

Investment powers and policy
The Society's investments are managed by Rathbones Investment Management Limited in accordance with the discretionary management agreement and the agreed investment policy. Rathbones reports quarterly and annually to the Trustee Board. The Trustees recognise there is risk associated with investment in mainstream financial markets and accept this risk in return for the prospect of additional returns over longer periods of time. As such, the Trustees wish to remain largely invested at all times, subject to cash reserves being held as part of the investment management process and to cover liabilities. The investments should be well diversified and include a range of assets including fixed interest stocks, UK shares and overseas shares.

The investment portfolio as at 31 December 2020 was valued at £2,725,778 (2019: £2,703,393) comprising 8% fixed interest funds, 41% UK equities, 41% overseas investments, and other investments 10%. Despite the turbulence in the earlier part of the year, the valuation at 31 December confirms the steady turnaround in market conditions at the end of 2020. Market confidence continues to improve, resulting in rising investment valuations. The total return from the portfolio was an increase of 6.6% over the year compared with an increase of 3.0% in the WM (Constrained by income) benchmark. The Trustees have reviewed the performance of the investments with the Investment Advisor and are happy to maintain the current investment strategy and will continue to closely monitor performance of the investments in the future.

Trading Company
The Society's wholly-owned trading subsidiary, IRTE Services Limited, made a net profit before gift aid and taxation of £422,440 (2019: £452,421) from its activities. These activities include IRTE Workshop Accreditation and managing the Commercial Vehicle Show which is organised in partnership with the

Society of Motor Manufacturers and Traders Limited (SMMT) and the Road Haulage Association (RHA). The decrease in profitability arose from the reduced profit share from the Commercial Vehicle Show, which was to have been held in April 2020. The Show was cancelled as the result of the pandemic but was fortunate to have relevant insurance cover which enabled the partnership to recoup all costs, refund the exhibitors in full and still make a surplus for distribution. More details can be found in notes 4&5 on pages 22 and 23.

Group reserves

The reserves policy, which is reviewed annually by the Board is formulated with regard to:

- Forecasts of future income, taking into account the reliability of existing sources and prospects for new sources;
- Forecasts of future expenditure based on planned activities;
- An analysis of any future needs, opportunities, contingencies or risks the effects of which are unlikely to be met out of income if and when they arise; and
- An assessment of the likelihood that any of these future events will arise and the potential consequences of not being able to meet them.

The Group's aim is to maintain sufficient free reserves to cover 18 months total expenditure, the target for 2020 being £3.21m (2019: £3.91m). At the year end the free reserves which consist unrestricted funds less tangible fixed assets, totalled £3.38m (2019: £3.13m). The Group met this target for free reserves at the end of 2020.

The challenges faced in trying to comply with the current reserves policy continue to be daunting given the extended economic inactivity due to COVID-19. In addition to the implementation of the steps listed below, there will be a closer monitoring of reserves and cash-flow which may result in reserves being utilised in the short term to meet any shortfall in income. The Trustees remain committed to maintaining the current policy but accept that any departure, while necessary, will be temporary until such time as funds are available to rebuild back to the 18 months target level.

Tangible and Intangible fixed assets

The freehold land and building were professionally revalued in January 2006 at approximately £2.1m. The value in use is therefore in excess of the carrying value of £1,690,439 in the financial statements. The movements in fixed assets during the year are set out in note 7 to the financial statements.

The Society had no capital commitments at 31 December 2020.

COVID-19 IMPACT

Like most other organisations the Society was impacted by the outbreak of the COVID-19 virus, which led to the United Kingdom entering a period of lockdown in March 2020. Fortunately, the recent investments made in updating and replacing the digital infrastructure of the Society, ensured that a smooth transition was made to working from home for all staff with minimal disruption to the day to day operations of the Society. However, the Society had to deal with a reduction in income across most revenue streams. In response to this, the Society took a number of steps to reduce costs and minimise any financial losses in 2020. These included:

- Placing 15% of the staff team on the Governments job retention scheme
- Cancelling the 2020 annual pay review
- A reduction in costs associated with running the office building
- Cancelling a number of events in 2020 including the inaugural Safety and Sustainability awards

In line with these adjustments the Society updated its budget for 2020 to reflect the revised financial position. This budget included the key assumption that the unavoidable cancellation of the 2020 Commercial Vehicle Show would result in a favourable claims process against the Show's insurance policy for cancellation due to the Government advice to avoid mass gatherings. This assumption proved to be correct.

While continuing to carefully monitor the impact of the ongoing pandemic, it is the belief of the Trustees that the Society remains a going concern and is well placed to continue with its charitable activities throughout 2021 and beyond.

LOOKING FORWARD

In 2021, the Society will continue to focus on its charitable objectives and the supporting goals of its business plan that include the delivery of:

- Greater engagement with existing and potential apprentice and student members
- Greater membership diversity
- Better support for existing and potential members
- Improved volunteer support and engagement
- Strengthening and developing the professional sectors
- Financial stability and good governance
- Revised and updated governance documents
- A successful Commercial Vehicle Show at the NEC in September 2021, on behalf of the Commercial Vehicle Show LLP

The Society remains focused on delivering the long-term strategic aims of its 2025 vision that include:

- Addressing the skills gap
- Encouraging diversity in engineering
- Engaging apprentice and student members
- Engaging with volunteers
- International growth
- Membership growth
- Promoting membership and registration

AUDITOR

Crowe U.K. LLP has indicated its willingness to be re-appointed as the statutory auditor.

Signed on behalf of the Trustees by:

S M Stephenson
Honorary Treasurer

M P Sweetmore
President

15 September 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOCIETY OF OPERATIONS ENGINEERS

OPINION

We have audited the financial statements of Society of Operations Engineers for the year ended 31 December 2020 which comprise Consolidated Statement of Financial Activities, Consolidated and Company Balance Sheets, Consolidated Cash Flow Statement and notes to the financial statements, including 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 the charitable company's affairs as of 31 December 2020 and of the group's income and expenditure 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 charitable group 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

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 during our audit

- the information given in the trustees' report, which includes the directors' 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 directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' 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:

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 in preparing the Trustees Annual Report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 6, 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 determine 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 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 have no realistic alternative but to do so.

AUDITOR'S 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 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the group's and the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the group and the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data protection Regulation (GDPR), taxation legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-

compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected o detect non-compliance with all laws and regulations.

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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Thomas
Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date: 20 September 2021

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account) for the year ended 31 December 2020

		Total Funds 2020	Total Funds 2019
	Notes	£	£
Income and endowments from:			
Charitable activities	3	1,745,684	1,920,632
Other trading activities			
Commercial trading operations	4	350,402	400,352
Investments		58,337	74,212
Total income		2,154,423	2,395,196
Expenditure on:			
Charitable activities	6	2,194,123	2,644,495
Other			
Commercial trading operations (including taxation)	4	294,561	325,396
Investment management fees		16,010	16,965
Total expenditure		2,504,694	2,986,856
Net gains/(losses) on revaluation and disposal of investments	8	43,259	332,646
Net income/(expenditure)		(307,012)	(259,014)
Other recognised gains/(losses):			
Net income from joint ventures	5	366,599	377,465
Net movement in funds		59,587	118,451
Reconciliation of funds:			
Total funds brought forward		5,304,128	5,185,677
Total funds carried forward		5,363,715	5,304,128

The notes on pages 19 to 29 form part of these accounts.

The Statement of Financial Activities has been prepared in accordance with Financial Reporting Standard No 102. All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

All funds are unrestricted.

CONSOLIDATED AND SOCIETY BALANCE SHEETS

		Group		Society	
	Notes	31.12.20	31.12.19	31.12.20	31.12.19
		£	£	£	£
Fixed assets:					
Tangible assets	7	1,717,841	1,823,088	1,717,841	1,823,088
Intangible assets	8	270,625	354,608	270,625	354,608
Investments	9	2,725,778	2,703,393	2,725,878	2,703,493
Investment in joint venture					
Share of net assets	5	100,000	100,000	0	0
		4,814,244	4,981,089	4,714,344	4,881,189
Current assets:					
Debtors	10	543,837	376,369	597,489	747,779
Cash at bank and in hand	11	919,236	1,009,171	660,822	431,366
		1,463,073	1,385,540	1,258,311	1,179,145
Creditors: amounts falling due within one year	12	(913,602)	(1,062,501)	(899,004)	(1,046,634)
Net current assets		549,471	323,039	359,307	132,511
Net assets		5,363,715	5,304,128	5,073,651	5,013,700
Funds:					
Unrestricted funds	15				
General		5,073,551	5,013,600	5,014,064	4,895,249
Subsidiary trading		290,164	290,528		
Profit for the year				59,587	118,451
Total Funds		5,363,715	5,304,128	5,073,651	5,013,700

The notes on pages 19 to 29 form part of these accounts.

The financial statements on pages 16 to 29 were approved by the Trustees and authorised for issue

on 15 September 2021 and signed on their behalf by:

M P Sweetmore
President

S M Stephenson
Honorary Treasurer

STATEMENT OF CASH FLOWS
for the year ended 31 December 2020

	Total Funds 2020	Total Funds 2019
	£	£
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	(138,714)	(123,368)
Cash flows from investing activities:		
Dividends, interest and rents from investments	58,337	74,212
Proceeds from the sale of property, plant and equipment	0	350
Purchase of property, plant and equipment	(14,422)	(109,515)
Proceeds from sale of investments	619,231	294,374
Purchase of investments	(598,357)	(268,551)
Investment managers fees	(16,010)	(16,965)
Net cash provided by (used in) investing activities	48,779	(26,095)
Cash flows from financing activities:		
Repayments of borrowing	0	0
Cash inflows from new borrowing	0	0
Receipt of endowment	0	0
Net cash provided by (used in) financing activities	0	0
Change in cash and cash equivalents in the reporting period	(89,935)	(149,463)
Cash and cash equivalents at the beginning of the reporting period	1,009,171	1,158,634
Cash and cash equivalents at the end of the reporting period	919,236	1,009,171

Reconciliation of net income/expenditure to net cash flow from operating activities		
Net income/(expenditure) for the accounting period as per the statement of financial activities	59,587	118,451
Adjustments for:		
Depreciation charges	203,652	203,754
(Gains)/Losses on investments	(43,259)	(332,646)
Dividends, interest and rents from investments	(58,337)	(74,212)
Investment managers fees	16010	16,965
Loss/(profit) on the sale of fixed assets	0	(350)
(Increase)/decrease in stocks	0	0
Decrease/(Increase) in debtors	(167,468)	(46,667)
Increase/(decrease) in creditors	(148,899)	(8,663)
Net cash provided by (used in) operating activities	(138,714)	(123,368)

Analysis of cash and cash equivalents		
Cash in hand	919,236	1,009,171
Notice deposits (less than 3 months)	0	0
Overdraft facility repayable on demand	0	0
Total cash and cash equivalents	919,236	1,009,171

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

1. ACCOUNTING POLICIES

i. Basis of accounting

These financial statements have been prepared in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the Society, its subsidiary IRTE Services Limited and dormant subsidiaries (note 18) and include the results of the Society's regional groups and centres on a line by line basis.

The Society's annual share of the profits/losses from its joint venture are included in the Statement of Financial Activities and its share of the net assets are included in the balance sheet.

The Society meets the definition of a public benefit entity under FRS 102.

The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments.

Having assessed the charity's financial position, its plans for the foreseeable future and the risks to which it is exposed, the trustees are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

ii. Functional & presentation currency

The functional currency of the charity and its subsidiary is considered to be pounds sterling because this is the currency of the primary economic environment in which the charity operates. The consolidated financial statements are also presented in pounds sterling.

iii. Critical accounting judgements and key sources of estimation uncertainty (policy)

In the application of the charity's accounting policies, which are described in notes I, the Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

In the light of the Covid-19 crisis, the Trustees have taken what they believe are appropriate steps to minimise its financial impact on the Society (see page 11 Trustees Report). As a result, the Trustees believe that the going concern basis remains an appropriate accounting policy for the Society.

iv. Incoming Resources

All incoming resources from membership, education, events and publications for the year are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

v. Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to an expenditure group. Salaries are allocated in proportion to the Society's staff time spent on each expenditure group. Support costs are those costs incurred directly in support of the objects of the charity and also allocated to each expenditure group on the basis of staff time. Governance costs are those incurred in connection with the governance of the charity, including compliance with constitutional and statutory requirements. Irrecoverable VAT is written off as incurred.

vi. Depreciation

a. Land and buildings

Depreciation has been charged at 2% on half of the cost of land and buildings, this being the proportion relating to the building only.

b. Other fixed assets

The following annual rates of depreciation on cost have been applied:

Furniture and fittings	20%
Property improvements	10%
Office equipment	20%
Computers	33%

c. Intangible assets

Digital infrastructure	20%

Assets over the value of £1,000 are capitalised.

vii. Pension scheme

The Society operates a Group Personal Pension Plan (Group PPP) which is a money purchase scheme. Pension costs are charged to the SOFA, representing a constant percentage of earnings payable by the Society to employee's plans. The Society has also made provision for employees not covered by the Group PPP to take out stakeholder pensions, in order to comply with current legislation.

viii Furlough income

Government grants are recognised on the performance model, when the charity has complied with any conditions attaching to the grant and the grant will be received. The grant in connection to the job retention scheme has been recognised in the period to which the underlying furloughed staff costs relate to. Included in income is an amount of £50,659 in respect of the Coronavirus Job Retention Scheme.

ix. Publications

As in previous years the postage costs relating to the distribution of the SOE News are included under this heading.

x. Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date. All differences are taken to the SOFA.

xi. Income and expenditure

As permitted by Section 408 of the Companies Act 2006, the income and expenditure of the parent undertaking is not presented as part of these accounts.

xii. Financial instruments

If the charity has any basic financial instruments, they are initially recognised at transaction value and subsequently measured at amortised costs using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade and other creditors.

Investments, including bonds held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

xiii.Company information and objectives

The Society of Operations Engineers is a registered charity (reg. no. 1081753) and company (reg. no. 3667147) which is incorporated and domiciled in the United Kingdom. The address of the registered office is 22 Greencoat Place, London SW1P 1PR

To improve and elevate technical and general understanding, knowledge, skill and competence of persons engaged or desiring to be engaged in operations engineering or any related employment, and the integrity and repute of the profession thereof.

To promote and encourage the advancement of science, technology and practice, and inventions and improvements in the field of operations engineering and any other related branches of engineering, and the dissemination and exchange of ideas, information and knowledge thereof.

By means of the above, but without prejudice to the generality thereof, to promote the safety, efficiency and environmental sustainability of operations engineering to the benefit of the community at large.

xiii. Gift Aid

Donations to the parent charity are recognised as an expense either when paid or at the date when the company has a legal liability to make the donation payment, if earlier.

2. TAXATION

As a registered Charity, the Society is not liable to Corporation Tax on its income.

3. INCOME FROM CHARITABLE ACTIVITIES

Income from charitable activities	Society	
	Year to	Year to
Activities in furtherance of the charity's objects	31.12.20	31.12.19
	£	£
Membership	1,318,462	1,329,732
Education and Events	81,829	197,426
Publications	139,100	254,186
/Income from regional groups and centres	12,576	23,851
Room rental and sundry income	193,717	115,437
	1,745,684	1,920,632

4. COMMERCIAL TRADING OPERATIONS

The Society has a subsidiary that has been trading since 11 October 1993 and pays all its profits to The Society of Operations Engineers by gift aid. The principal activity of the Company is to raise funds in order to promote the aims of the Society.

The Society holding in the issued ordinary share capital of £100 is as follows:

Name	Country of Registration	Registration Number	Proportion held	
			31.12.20	31.12.19
IRTE Services Limited	England and Wales	2854868	100%	100%

A summary of IRTE Services Limited's results are shown below and audited accounts will be filed with the Registrar of Companies at Companies House.

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2019	Year to	Year to
	31.12.20	31.12.19
	£	£
Turnover	349,846	399,502
Expenditure		
Cost of sales	(288,260)	(318,105)
Administrative expenses	(6,301)	(7,291)
	(294,561)	(325,396)
Operating Profit/(Loss)	55,285	74,106
Interest receivable	556	850
Profit/(Loss) on ordinary activities	55,841	74,956
Net Income from Joint Venture	366,599	377,465
Profit before gift aid and taxation	422,440	452,421
Amount gifted to the society	(422,804)	(452,690)
Profit before taxation	(364)	(269)
Taxation	0	0
Retained profit for the year	(364)	(269)

The company incurred corporation tax in the year of £Nil (2019: £Nil). No further provision for corporation tax has been made on the company's profit for the year due to its policy of donating all its tax adjusted profits available for distribution under gift aid to its ultimate parent undertaking within nine months of each year-end date and because the company early implemented FRS 102 para 29.14A.

	As at	As at
IRTE Services Limited	31.12.20	31.12.19
The aggregate of the assets, liabilities and funds was:	£	£
Assets	744,568	779,552
Liabilities	(454,404)	(489,024)
Funds	290,164	290,528

The costs of the Commercial Vehicle Show LLP management team totalling £259,028 (2019: £286,295) are recharged to IRTE Services Limited by the SOE. IRTE Services Limited paid £452,690 as Gift Aid to the SOE in respect of the 2019 profit. The Gift Aid payment due in respect of the 2020 profit is £422,804

	As at	As at
	31.12.20	31.12.19
	£	£
Amount owing by/(to) parent company (included in liabilities)	(423,197)	(453,738)

5. JOINT VENTURE

IRTE Services Limited has a 33.33% interest in the Commercial Vehicle Show Limited Liability Partnership.

	Year to 30 June 2020	
	Partnership	SOE
	total	share
	£	£
Profit and Loss Account:		
Turnover	0	
Other operating income	2,399,851	799,950
Operating Profit	1,099,797	366,599
Interest receivable	0	0
Partners' Asset	1,399,797	466,599
Balance Sheet:	As at 30 June 2020	
Current Assets	2,785,601	928,534
Current Liabilities	(1,385,804)	(461,935)
Net Assets	1,399,797	466,599
Represented by:		
Partners' Capital Accounts	300,000	100,000
Partners' Current Accounts	1,099,797	366,599
	1,399,797	466,599

The Partnership prepares accounts to 30 June and the above extract is therefore from the most recently available accounts. An accrual was made at year end for £366,599 in respect of the company's share of the profit of the CV Show LLP for the year ended 30 June 2020.

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6a ANALYSIS OF CHARITABLE EXPENDITURE

	Staff Costs	Support Costs	Other Direct Costs	Total
Year to 31 December 2020	£	£	£	£
Services to engineers	475,080	235,334	50,616	761,030
Regional groups and centres	49,074	24,309	102,492	175,875
Publications	60,349	29,894	414,855	505,098
Education	134,743	66,746	6,561	208,050
Marketing, committees and exhibitions	207,857	102,963	43,850	354,670
Governance	103,987	51,510	33,903	189,400
	1,031,090	510,756	652,278	2,194,123
Year to 31 December 2019	£	£	£	£
Services to engineers	550,993	263,285	56,667	870,945
Regional groups and centres	39,217	18,740	163,841	221,798
Publications	86,853	41,502	486,436	614,791
Education	130,191	62,210	19,337	211,738
Marketing, committees and exhibitions	238,936	114,172	156,146	509,254
Governance	98,540	47,086	70,343	215,969
	1,144,730	546,995	952,770	2,644,495

6b. ANALYSIS OF SUPPORT COSTS

	Premises	Communications and IT	Postage & Printing	Financial Costs	Depreciation	Total
Engineers	44,055	60,446	8,879	28,120	93,834	235,334
Regions	4,551	6,244	917	2,905	9,692	24,309
Publications	5,596	7,678	1,128	3,572	11,920	29,894
Education	12,495	17,144	2,518	7,975	26,613	66,745
Marketing/Publicity	19,275	26,446	3,885	12,303	41,054	102,963
Governance	9,643	13,231	1,943	6,155	20,539	51,510
Total Support	95,615	131,189	19,270	61,030	203,652	510,756
Total Support costs 2019	119,330	122,233	34,953	66,725	203,754	546,995

6c. GOVERNANCE COSTS ARE MADE UP OF THE FOLLOWING:

Governance costs include audit fees of £17,800 (2019: £17,250), non audit fees of £3,585 (2019: £3,014). All 16 Trustees (including the 7 Directors of IRTE Services Ltd) claim out of pocket expenses in relation to travel and subsistence costs for attendance at meetings and representation events amounting to £10,344 (2019: £36,923); Trustees' and Officers' liability insurance £2,738 (2019: £2,738); remainder is expenditure on legal and other administrative costs and an apportionment of staff time.

7. TANGIBLE FIXED ASSETS

	Land and buildings freehold	Computer and other assets	Total
Group and Society Cost			
	£	£	£
Cost at 31 December 2019	2,257,845	124,419	2,382,264
Additions	0	8,197	8,197
Asset re-classified	0	0	0
Fully depreciated and written off	0	0	0
Cost at 31 December 2020	2,257,845	132,616	2,390,461
Depreciation			
Balance at 31 December 2019	476,522	82,654	559,176
Charge for the year	90,885	22,559	113,444
Asset Write downs from previous years	0	0	0
Balance at 31 December 2019	567,407	105,213	672,620
Net book value at 31 December 2020	1,690,438	27,403	1,717,841
Net book value at 31 December 2019	1,781,323	41,765	1,823,088

8. INTANGIBLE FIXED ASSETS

	Digital Infrastructure	Asset under construction	Total
Group and Society Cost			
	£	£	£
Cost at 31 December 2019	443,260	0	443,260
Additions	6,225	0	6,225
Fully depreciated and written off	0	0	0
Cost at 31 December 2020	449,485	0	449,485
Depreciation			
Balance at 31 December 2019	88,652	0	88,652
Charge for the year	90,208	0	90,208
Asset Write downs from previous years	0	0	0
Balance at 31 December 2019	178,860	(0)	178,860
Net book value at 31 December 2020	270,625	0	270,625
Net book value at 31 December 2019	354,608		354,608

9. INVESTMENTS

	31.12.19	31.12.19	31.12.19	31.12.19
Group	Cost	Market Value	Cost	Market Value
Listed stocks and shares:	£	£	£	£
UK Gilts and other fixed interest	194,322	220,069	253,602	274,763
UK Equities	771,026	1,114,897	666,081	1,094,074
Alternatives & Hedge Funds	263,717	271,695	215,608	238,541
Overseas investments	782,919	1,119,117	833,508	1,096,015
Investments total	2,011,984	2,725,778	1,968,799	2,703,393

	Year to	Year to
Movements during the year	31.12.20	31.12.19
Group:	£	£
Market value as at start of year	2,703,393	2,396,570
Purchases during the year	598,357	268,551
Sales at market value prior to disposal	(652,029)	(294,774)
Unrealised (loss)/gain on revaluation	75,999	333,381
Non market transactions	58	(335)
Market value as at end of year	2,725,778	2,703,393
Realised gain on disposal of investments	(32,798)	(735)
Unrealised (loss)/gain on revaluation	75,999	333,381
Gain/(losses) on non market transactions	58	0
Net gains/(losses) on revaluation and disposal of investments	43,259	332,646
Investments over 5%		
The following investments have a market valuation of over 5% of the total investment valuation:		
JP Morgan Asset Mgrs (UK) US Equity Income Hedged		£148,596 (5.5%)
Schroder Investment Management		£174,115 (6.4%)

Society
The Society's investments include a further £100 investment in IRTE Services Limited (see note 4).

There has been a lot of turbulence in world stock markets since the start of 2020 primarily as a result of the impact of Covid-19 on the global economy. The market value of the investments at 31 May 2020 stood at £2,400,797, down from £2,703,393 at 31 December 2019.

10 DEBTORS

	Group		Society	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Trade debtors (less bad debts)	74,359	173,984	56,102	149,701
Owed by subsidiary undertaking	0	0	423,197	453,738
VAT	0	0	16,610	19,420
Other debtors	368,881	86,731	983	9,266
Prepayments and accrued income	100,597	115,654	100,597	115,654
	543,837	376,369	597,489	747,779

11. CASH AND BANK BALANCES

Cash and bank balances	Group		Society	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Treasury Reserve money market accounts	0	0	0	0
Deposit and current accounts	919,036	1,008,971	660,622	431,166
Cash in hand	200	200	200	200
	919,236	1,009,171	660,822	431,366

12. CREDITORS: AMOUNTS FALLING DUE

Creditors: amounts falling due	Group		Society	
within one year	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Subscriptions in advance	521,467	538,481	521,467	538,481
Trade and other creditors	229,318	327,412	229,073	323,205
Social security and other taxes	31,100	41,517	31,100	41,517
VAT	723	1,839	0	0
Accruals and deferred income	130,994	153,252	117,364	143,431
	913,602	1,062,501	899,004	1,046,634

Creditor accruals totalled £ Nil (2019: £Nil). The deferred income includes sponsorship fees for the Skills Challenge competition which was postponed to 2021.

13. CAPITAL COMMITMENTS AND OPERATING LEASES

The Group had capital commitments at year end totalling £Nil (2019: £6,225) in relation to the digital transformation project to upgrade the membership database and website..
During 2020, the Group entered into a three year operating lease agreement to hire two office photocopiers. The quarterly payment includes the rental and maintenance of these equipment. The outstanding contractual rental payments at year end totalled £6,848 (2019: £3,354).

14. LESSOR ACCOUNTING

The Group has a number of lease and licence to occupy agreements with tenants occupying office space on the second floor of 22 Greencoat Place. These agreements are open ended with notice periods of either three (for licences to occupy) or six (for leases) months required for either party to terminate the agreement. The annual income from these agreements, should no termination take place, is £125,270.

15. RESERVES

Reserves	General	Regional	Total
	Reserves	Reserves	Reserves
Year to 31 December 2020	£	£	£
Group:			
Balance at 31 December 2019	5,211,092	93,036	5,304,128
Surplus/(Deficit) for the year	67,558	(7,971)	59,587
Balance at 31 December 2020	5,278,650	85,065	5,363,715
Represented by			
Fixed assets	4,814,244	0	4,814,244
Cash at bank and in hand	834,171	85,065	919,236
Other net current assets	(369,765)	0	(369,765)
	5,278,650	85,065	5,363,715
Society:			
Balance at 31 December 2019	4,920,664	93,036	5,013,700
Surplus/(Deficit) for the year	67,922	(7,971)	59,951
Balance at 31 December 2020	4,988,586	85,065	5,073,651
Represented by			
Fixed assets	4,714,344	0	4,714,344
Cash at bank and in hand	575,757	85,065	660,822
Other net current assets	(301,515)	0	(301,515)
	4,988,586	85,065	5,073,651
Year to 31 December 2019			
Group:			
Balance at 31 December 2018	5,095,623	90,054	5,185,677
Surplus/(Deficit) for the year	115,469	2,982	118,451
Balance at 31 December 2019	5,211,092	93,036	5,304,128
Represented by			
Fixed assets	4,981,089	0	4,981,089
Cash at bank and in hand	916,135	93,036	1,009,171
Other net current assets	(686,132)	0	(686,132)
	5,211,092	93,036	5,304,128
Society:			
Balance at 31 December 2018	4,804,926	90,054	4,894,980
Surplus/(Deficit) for the year	115,738	2,982	118,720
Balance at 31 December 2019	4,920,664	93,036	5,013,700
Represented by			
Fixed assets	4,881,189	0	4,881,189
Cash at bank and in hand	338,330	93,036	431,366
Other net current assets	(298,855)	0	(298,855)
	4,920,664	93,036	5,013,700

16. STAFF

	Year to	Year to
	31.12.20	31.12.19
	£	£
Total staff emoluments including taxable benefits for the year:		
Gross salaries permanent and temporary staff	869,175	958,333
Employer's NI	93,985	98,038
Employer's pension	59,194	54,557
Life assurance cover	4,692	5,825
	1,027,046	1,116,753
Redundancy and termination payments totalling £1,614 (2019: £11,813) were paid during the year..		
	2020	2019
Key Management (defined as the senior management team):		
Total emoluments including taxable benefits for the year	602,964	618,059

During the year, payments totalling £1,800 (2019: £Nil) were paid to a Trustee as fees in connection with workshop inspections on behalf IRTE Services Ltd. No other payments were made except for out of pocket expenses (see note 6c)

Average number of employees analysed by function was:	2020	2019
Charitable expenditure	19	19
Management, administration and support	2	3
CV Show management team	4	4
	25	26

Number of staff whose emoluments (excluding pensions) including taxable benefits from the Society exceeded £60,000:	2020	2019
£70,001 - £80,000	1	1
£80,001 - £90,000		
£90,001 - £100,000		
£100,000 - £110,000		1
£110,000 - £120,000	1	

The Society's pension contribution for any member of staff whose emoluments exceed £60,000 is paid at the same rate as applicable to all staff eligible to join the group personal pension scheme.

17. SOCIETY PENSION ARRANGEMENTS

The Society's contributions made on behalf of eligible employees in the year amounted to £75,866 (2019: £66,968). (Also see note 1(vii) of the accounts.)

18. THE COUNCIL OF MANAGEMENT

The Trustee Board consists of 16 members including the chairs of the 3 Professional Sector Councils. No remuneration or other benefit in money or money's worth was given by the Society to any other member of the Board except out of pocket expenses (see note 6c).

19. VOLUNTEERS

The Trustees are grateful for the invaluable time and support given by the 200 volunteers who who sit on the Trustee Board, IRTE Services Board, three Professional Sector Councils, the Membership & Professional Standards Committee and Regional Committees.

20. LIABILITY OF MEMBERS

The Society is a company limited by guarantee and Clause 8 of its Memorandum of Association states that the maximum contribution for which a member can be liable in the event of the Society's liquidation is £10.

21. DORMANT COMPANIES

The following companies are subsidiaries of SOE but did not trade during the year:

Name:	Country of Registration:	Registration Number	Reserves 31.12.20	Reserves 31.12.19
			£	£
Institution of Plant Engineers	England & Wales	419646	1,000	1,000
Institute of Road Transport Engineers	England & Wales	395541	1,000	1,000

Both of these companies are limited by guarantee.

22. FINANCIAL INSTRUMENTS

At the balance sheet date, the consolidated group held financial assets at amortised cost comprising investment in joint venture, trade debtors, other debtors and cash and cash deposits of £1,456,842 (2019: £1,369,886) and financial liabilities at amortised cost comprising trade and other creditors and accruals of £392,135 (2019: £522,120).

Total interest income received in respect of financial assets held at amortised cost totalled £477 (2019: £1,366). The charity held financial assets at fair value through income or expenditure company investments of £2,725,778 (2019: £2,703,393). Movements in the year through the Statement of Financial Activities comprise dividend income of £57,861 (2019: £72,847) and net gains of £43,259 (2019: £332,646).

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