



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

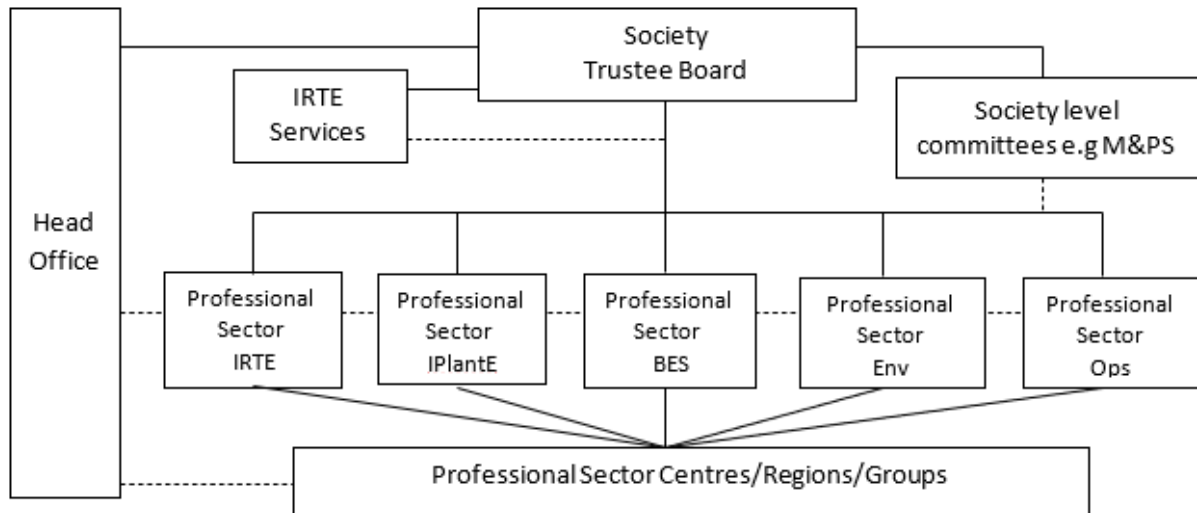
In 2020 the Society, like all other organisations, had to adapt its plans for the year to allow for the impact of the Covid-19 pandemic. A lot of activities, including events, had to be curtailed but there was also an opportunity to try new ways of engaging with members and the wider engineering community 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.



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.

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, 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 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 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	16,010	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.

6a ANALYSIS OF CHARITABLE EXPENDITURE

	Staff	Support	Other Direct	Total
	Costs	Costs	Costs	
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
	31.12.20	31.12.19
Movements during the year	£	£
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 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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