



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
<u>TRUSTEE BOARD</u>	
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)

<u>MANAGEMENT TEAM</u>	
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

<u>PROFESSIONAL ADVISORS</u>	
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

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.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

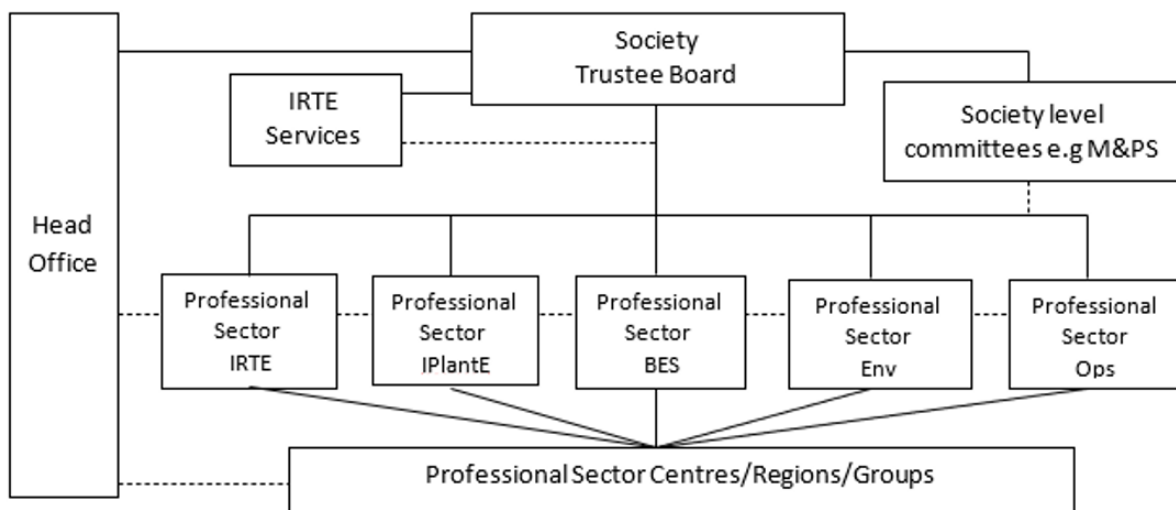
2023 BUSINESS PLAN

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.

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

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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.

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.

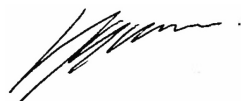
The following statements have been affirmed by each of the Trustees of the charitable company:

- 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



Society of Operations Engineers

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.



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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 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.

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		<u>2,319,490</u>	<u>2,321,023</u>
Expenditure on:			
<i>Charitable activities:</i>	6	2,215,481	2,150,230
<i>Other</i>			
Commercial trading operations (including taxation)	4	325,569	317,103
Investment management fees		17,981	18,048
Total expenditure		<u>2,559,031</u>	<u>2,485,381</u>
Net gains/(losses) on revaluation and disposal of investments	9	54,417	(225,682)
Net income/(expenditure)		<u>(185,124)</u>	<u>(390,040)</u>
Other recognised gains/(losses):			
Net (loss)/income from joint ventures	5	60,607	302,198
Net movement in funds		<u>(124,517)</u>	<u>(87,842)</u>
Reconciliation of funds:			
Total funds brought forward		5,334,971	5,422,813
Total funds carried forward		<u><u>5,210,454</u></u>	<u><u>5,334,971</u></u>

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.

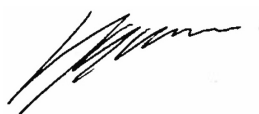
All funds are unrestricted.

Consolidated and Society Balance Sheets

	Notes	Group		Society	
		31.12.23	31.12.22	31.12.23	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
		<u>4,541,162</u>	<u>4,791,901</u>	<u>4,380,655</u>	<u>4,587,546</u>
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
		<u>1,395,417</u>	<u>1,292,798</u>	<u>1,240,542</u>	<u>1,177,118</u>
Creditors: amounts falling due within one year	12	(726,125)	(749,727)	(700,943)	(719,924)
		<u>669,292</u>	<u>543,071</u>	<u>539,599</u>	<u>457,194</u>
Net current assets					
		<u>5,210,454</u>	<u>5,334,972</u>	<u>4,920,254</u>	<u>5,044,740</u>
Net assets					
		<u>5,210,454</u>	<u>5,334,972</u>	<u>4,920,254</u>	<u>5,044,740</u>
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)
		<u>5,210,454</u>	<u>5,334,972</u>	<u>4,920,254</u>	<u>5,044,740</u>
Total Funds					
		<u>5,210,454</u>	<u>5,334,972</u>	<u>4,920,254</u>	<u>5,044,740</u>

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:			
<i>Net cash provided by (used in) operating activities</i>		<u>(184,635)</u>	<u>(36,777)</u>
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)
<i>Net cash provided by (used in) investing activities</i>		<u>142,459</u>	<u>(50,074)</u>
Cash flows from financing activities:		0	0
<i>Change in cash and cash equivalents in the reporting period</i>		(42,176)	(86,851)
<i>Cash and cash equivalents at the beginning of the reporting period</i>		1,145,578	1,232,429
<i>Cash and cash equivalents at the end of the reporting period</i>		<u>1,103,402</u>	<u>1,145,578</u>
Reconciliation of net income/(expenditure) to net cash flow from operating activities			
<i>Net income/(expenditure) for the accounting period as per the statement of financial activities</i>		(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)
<i>Net cash provided by (used in) operating activities</i>		<u>(184,635)</u>	<u>(36,777)</u>
Analysis of cash and cash equivalents			
Cash in hand		1,103,402	1,145,578
Total cash and cash equivalents		<u>1,103,402</u>	<u>1,145,578</u>

THE SOCIETY OF OPERATIONS ENGINEERS

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 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 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.

THE SOCIETY OF OPERATIONS ENGINEERS

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%
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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.

THE SOCIETY OF OPERATIONS ENGINEERS

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

3. Income from charitable activities

	Society	
	Year to 31.12.23 £	Year to 31.12.22 £
Activities in furtherance of the charity's objects		
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.

THE SOCIETY OF OPERATIONS ENGINEERS

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

4. Commercial trading operations (continued)

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

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 building 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)	<u>(161,424)</u>	<u>(307,796)</u>

5. Joint Venture

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

	Year to 30 June 2023	
	Partnership total £	SOE share £
Summary financial information of the CV Show LLP		
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	<u>481,825</u>	<u>160,607</u>
Represented by:		
Partners' Capital Accounts	300,000	100,000
Partners' Current Accounts	181,825	60,607
	<u>481,825</u>	<u>160,607</u>

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

THE SOCIETY OF OPERATIONS ENGINEERS

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

6a. Analysis of charitable expenditure

	Staff Costs £	Support Costs £	Other Direct Costs £	Total £
Year to 31 December 2023				
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.

THE SOCIETY OF OPERATIONS ENGINEERS

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

7. Tangible fixed assets

	Land and buildings freehold	Computer and other assets	Total
Group and Society			
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	<u>2,257,845</u>	<u>120,040</u>	<u>2,377,885</u>
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	<u>832,081</u>	<u>101,914</u>	<u>933,995</u>
Net book value at 31 December 2023	<u><u>1,425,764</u></u>	<u><u>18,126</u></u>	<u><u>1,443,890</u></u>
Net book value at 31 December 2022	<u><u>1,513,747</u></u>	<u><u>18,425</u></u>	<u><u>1,532,172</u></u>

8. Intangible fixed assets

	Digital Infrastructure
Group and Society	
Cost	£
Cost at 31 December 2022	449,485
Additions	0
Fully depreciated and written off	0
Cost at 31 December 2023	<u>449,485</u>
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	<u>449,485</u>
Net book value at 31 December 2023	<u><u>0</u></u>
Net book value at 31 December 2022	<u><u>90,364</u></u>

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

9. Investments	31.12.23	31.12.23	31.12.22	31.12.22
Group	Cost	Market Value	Cost	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			Year to 31.12.23	Year to 31.12.22
Group			£	£
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
	<u>1,103,402</u>	<u>1,145,578</u>	<u>890,164</u>	<u>731,654</u>

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
	<u>726,125</u>	<u>749,727</u>	<u>700,943</u>	<u>719,924</u>

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)

THE SOCIETY OF OPERATIONS ENGINEERS

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	<u>5,122,035</u>	<u>88,419</u>	<u>5,210,454</u>
<i>Represented by</i>			
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)
	<u>5,122,035</u>	<u>88,419</u>	<u>5,210,454</u>
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	<u>4,831,835</u>	<u>88,419</u>	<u>4,920,254</u>
<i>Represented by</i>			
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)
	<u>4,831,835</u>	<u>88,419</u>	<u>4,920,254</u>
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	<u>5,248,891</u>	<u>86,080</u>	<u>5,334,971</u>
<i>Represented by</i>			
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)
	<u>5,248,891</u>	<u>86,080</u>	<u>5,334,971</u>
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	<u>4,958,660</u>	<u>86,080</u>	<u>5,044,740</u>
<i>Represented by</i>			
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)
	<u>4,958,660</u>	<u>86,080</u>	<u>5,044,740</u>

THE SOCIETY OF OPERATIONS ENGINEERS

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
	<u>910,103</u>	<u>929,613</u>

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
	<u>24</u>	<u>23</u>

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 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.