

REGISTERED COMPANY NUMBER: 930776 (England and Wales)
REGISTERED CHARITY NUMBER: 1121681

**Report of the Trustees and
Financial Statements For the Year Ended 30 September 2022
for
INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY**

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

**Contents of the Financial Statements
For the Year Ended 30 September 2022**

	Page
Report of the Trustees (incorporating the Directors' Report)	3 to 16
Report of the Independent Auditor	17 to 20
Statement of Financial Activities	21
Balance Sheet	22
Cash Flow Statements	23
Notes to the Financial Statements	24 to 35

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Report of the Trustees (incorporating the Directors' Report) For the Year Ended 30 September 2022

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity For the Year Ended 30 September 2022. The Trustees have adopted the provisions of the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Report Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Governing document

The charity is controlled by its governing document, its memorandum and its articles of association last amended in March 2018, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Registered Company number

930776 (England and Wales)

Registered Charity number

1121681

Registered office

5 Cambridge Court
210 Shepherds Bush Road
London
W6 7NJ

Trustees

M T Bell	(Vice President)	
I M Blakemore	(Hon Treasurer & Finance Committee Chair)	Resigned 31.03.22
S M Crew	(President Elect)	Appointed 31.03.22
C R Gilbert-Wood	(Chair, Scientific Committee)	
D S T Gregory	(Immediate Past President)	Resigned 31.03.22
S Jennings	(Hon Treasurer & Finance Committee Chair)	Appointed 31.03.22
A Kinsey	(Chair, Professional Development Committee)	Appointed 31.03.22
A L Kyriakides	(Vice President)	
C E Leadley	(Chair, Publications Committee)	Resigned 31.03.22
A MacGregor	(Chair, Education Committee)	
W Martindale	(Hon Secretary)	
H S Munday	(President)	
J M O'Brien	(Chair, External Affairs Committee)	
H R Taylor	(Chair, Professional Development Committee)	Resigned 31.03.22
E Weston	(Chair, Publications Committee)	Appointed 31.03.22

Chief Executive & Company Secretary

J W Poole	Resigned 12.10.22
T R B McLachlan	Appointed 10.12.22

Senior Management

S French
A Gardner
D Kendale

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Report of the Trustees (incorporating the Directors' Report) For the Year Ended 30 September 2022

Auditor

Moore Kingston Smith LLP
9 Appold Street
London
EC2A 2AP

Professional advisors

Bankers
CAF Bank
25 Kings Hill Ave
Kings Hill
West Malling ME19 4JQ

Investment Managers
Cazenove Capital
1 London Wall Place
London EC2Y 5AU

STRUCTURE, GOVERNANCE AND MANAGEMENT

Appointment and training of new Trustees

The President, President Elect, Vice President(s), Honorary Secretary, Honorary Treasurer and Chairs of Education & Careers, Professional Development and Publications Committees are elected by the Fellows and Members of the Institute of Food Science and Technology (IFST). The role of Immediate Past President is automatically filled. The chairs of Standing Committees (which includes the External Affairs Committee) are nominated by the members of their respective Committees and their appointment as Trustees is ratified by the Board of Trustees.

Formal training is offered to new Trustees and governance training is included at the April Board meeting. Opportunities for external Trustee training are highlighted to the Trustees. Literature relating to good governance is available for Trustees to download from IFST's website. For the first time, broad EDI training was provided in September for all Trustees. Directors' and officers' liability insurance is maintained.

PUBLIC BENEFIT STATEMENT

The Trustees have taken due regard of the Charity Commission's guidance on public benefit. The charity's objectives, its main activities and who it aims to benefit are described below. All IFST's charitable activities focus on the advancement of the science of food science and technology, its education and its application for the benefit, safety and health of the public.

Organisational Structure

The Board is advised by a Scientific, Finance, Education, Professional Development, Publications, and External Affairs Committees; each is chaired by a Trustee who is a member of the Institute. The Board is also advised by Advisory Groups Panels and ad hoc working groups.

An Independent Assessor, responsible for assessing the effectiveness in which the Board discharges its duties, attends Board and other meetings as an observer but may not vote.

The Trustees have delegated to the Chief Executive the responsibility for the day-to-day operation of the charity. Pay and remuneration of key management personnel including the Chief Executive is set by the Remuneration & Benefits Committee. An informal benchmarking exercise is carried out on a regular basis with similar organisations to ensure IFST pay and remuneration remains marketable and fair. A new, more structured discretionary bonus scheme was introduced for all personnel.

Risk review

The Board of Trustees taking advice from the Finance Committee maintains and monitors a register of all major strategic, business and operational risks that the charity faces and confirms that systems have been established to mitigate these risks.

The key risks highlighted through this process included:

- The Institute's financial security, especially relating to the income generated through its publications as the market moves to open access and other streams
- The uptake of accreditation and professional recognition schemes
- The potential impact on the Institute's reputation should there be any real or perceived lack of robustness in its accreditation or professional recognition schemes
- Increasing pension costs from the USS pension scheme
- Potential for loss of key personnel through retirement/resignation.

Impact of Covid-19

Covid-19 has again constrained the ability of the Institute to deliver some plans but the majority of its activity has continued unaffected or enhanced through a mixture of online and face-to-face. Plans for a return to mainly face-to-face events were necessarily adjusted due to the impact of the Omicron variant. Notably, Spring Conference 2022 was held online but, as the public health situation eased, IFST hosted an in-person IFST Lecture in October 2021 and a Spring Conference Lecture and Lunch in April 2022. While online events provide greater accessibility for larger audiences to our events and activities, the net contribution from events is lower than budgeted. The IFST executive continues to work well following a hybrid model.

The Board of Trustees continues to review and update the risk register in the light of the impact of Covid-19.

REVIEW OF IFST OBJECTIVES AND ACTIVITIES

The objective for which the Institute is established is the general advancement and application of food science and technology, for the benefit, safety and health of the public. Each year the Board undertakes a strategic review; in 2021-22 IFST worked towards six strategic priorities to enable it to achieve this objective.

Significant activities and achievements during 2021-2022

1) Providing and sharing evidence-based FS&T knowledge

Those needing access to relevant, reliable evidence-based FS&T knowledge actively seek out knowledge, outputs and positions provided by IFST. Information is known for being easily searchable and, generally, made available at no or low-cost.

Key indicators and activities included:

- Focusing on the curation of others' trusted resources as well as generating our own content
- Developing a model for the generation of resources using interns and other paid resources
- Developing a model for delivery of hybrid events/conferences
- Growing quality and attendance at key events (Spring Conference/Lecture)
- Improving promotional availability of our resources
- Improving non-members event registrations

The Institute website's directly relevant food science and technology content achieved 120,033 unique page views (2021: 114,944).

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Report of the Trustees (incorporating the Directors' Report) For the Year Ended 30 September 2022

During the year the Institute hosted more than 38 events and webinars attracting 2,295 delegate registrations (of whom 1,172 were members and 1,123 were non-members).

Spring Conference 2022, 'Minding the Gap; Communication, Skills, Technologies', was well-received and attracted 203 delegates.

Readership of the Institute's quarterly *Food Science & Technology* magazine remains strong: members receive the magazine as part of their membership package; other individuals, libraries and organisations may receive the magazine as a paid-for subscription. Each issue of the magazine is themed by the Editor around an area of interest agreed with the IFST's Publications Committee and the Editorial Board. In 2021-2022 the themes included: food packaging, net zero, future foods and food manufacturing. For the eight months to end August, the average monthly online visitors was 2,542, (2021: 3,691) with 5,532 (2021: 3,815) page views, with one of the most read articles being 'Carbon farming in the EU' (volume 36, issue 1).

International Journal of Food Science & Technology, the Institute's peer-reviewed academic journal published by Wiley, has performed very strongly with 650 articles and 6,790 page views, achieving an impact factor of 3.612 (2021: 3.713). Developments around Open Access publishing continue to be closely monitored by the Publications Committee and Board.

IFST has published 42 Information Statements, including new statements on Polycyclic Aromatic Hydrocarbons; Food authenticity testing; and Allergen Analysis – key considerations (including gluten & food intolerance compounds) (2021: 42).

There are now 13 'Food Science Fact Sheets' (2021:11) in IFST's consumer/public facing information series, with recent additions on Protein Food Sources; and Gut health and the Microbiome.

Through its member-led Special Interest Groups (SIGs), Branches and Working Groups, IFST hosted a total of 11 webinars during the year in addition to in-person and watch-along events including: Using genetics to understand the factors influencing food liking and their role in food choices; Status and Evolution of UK Packing Legislation; Plant-based food: fad, trend or future? Additionally, the Sensory Science Group hosted the 10th European Sensory Science Society (E3S) Annual Symposium,

2) Influencing key stakeholders

Our invaluable resource of independent evidence-based scientific positions and our access to experienced professionals is actively sought to inform and support the work of key stakeholders including Governmental departments. IFST will demonstrate leadership over chosen key topics and projects where it is in the best place to deliver positive outcomes in pursuit of our mission.

Key initiatives and activities included:

- Developing relationships with government departments and funding bodies
- Defining and embedding the branches representing the four nations
- Developing key policy positions (using outputs from Horizon Scanning exercise)
- Identifying and developing relevant themes where IFST can lead and influence
- Providing a governance guide for directors on food safety and food risk management
- Planning and petitioning for Royal Charter

Relations with Government departments continue to strengthen through the work of the External Affairs Committee and the Scientific Policy Director. External Affairs Committee is continuing to prioritise policy positions. Regular contact with FSA/FSS/Defra remains commonplace.

Wales branch has been newly formed and has held its first few meetings. Members endorsed the proposal to petition for a Royal Charter and the Draft Charter at an Extraordinary general Meeting in December 2021.

A new guide, Food Safety Governance Guide for Directors, was published in March 2022 and received over 9000 download requests.

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Report of the Trustees (incorporating the Directors' Report) For the Year Ended 30 September 2022

Overall website traffic has increased. During the year the main IFST website attracted 180,989 visitors (2021: 154,284). The Institute's social media activity is becoming much more sensitive to profile of users on the different platforms. The number of users or followers is increasing year-on-year, and the average 'engagement rate' across all platforms is 4.0% (2021: 3.6%). We were pleased to achieve more than 50,000 followers on our LinkedIn company page in September 2022.

3) Promoting professional standards and development

Regulators, retailers and the general public are reassured that technical personnel at all levels within the food sector are recognised as being professionally competent and striving to remain current in their knowledge and skills through effective CPD.

Key initiatives and activities included:

- Promoting membership and professional recognition
- Seeking out drivers to support adoption of the Food Safety Register
- Identifying and pursuing prime 'group schemes'
- Reviewing the registers with a view of aligning/simplifying
- Planning to move to a standardised competence format
- Reviewing the Code of Professional Conduct

The Institute continues to run *IFST Connect* sessions for employees of new and existing membership groups schemes, improving their understanding of potential memberships and registration options open to them. For existing members, small group and workshop sessions have been offered to help people find the right membership or register, and help them through the application process.

Membership numbers continue to be boosted through new membership group schemes, through which employers promote professional recognition with IFST and cover the fees for their employees.

Long-held plans to redevelop the MyCPD system were put on hold while IFST reviewed its online membership platform.

Under license from Science Council, the Institute has 170 Chartered Scientists (2021: 179), 52 Registered Scientists (2021: 66) and two Registered Science Technicians (2021: 2). The Institute is committed to supporting the Science Council to ensure these registers remain relevant and that licensed bodies like IFST have the information and relevant collateral they need to help them promote professional registration and attract registrants.

The multi-level Register of Food Safety Professionals has continued to attract a steady flow of new registrants. The number of registrants was: 246 (2021: 242).

The Institute has closely monitored the progress of GSFI proposals for food safety auditor professional recognition.

Report of the Trustees (incorporating the Directors' Report) For the Year Ended 30 September 2022

There were 117 registrants on the Register of Professional Food Auditors and Mentors (2021: 121).

The *Code of Professional Conduct*, which all members agree to observe, and the Disciplinary Procedures were reviewed and amendments published to members in April 2022. No complaints about the professional conduct of members under the *Code of Professional Conduct* and Disciplinary Procedures were received (2021: 0).

4) Utilising and growing the strength of our membership

The profile of our membership is respected for its breadth and depth of experience. Individuals are proud to join and be a part of the Institute for the opportunity to actively contribute to the achievement of the Institute's mission.

Key initiatives and activities included:

- Delivery of actions in line with Project 4000 plan
- Identifying key opinion formers to target for membership
- Transitioning branch, SIG and working group activity to align with the new network model
- Encouraging participation in the IFST Community platform
- Developing more coherent and relevant industry awards (Honorary Fellowship)

The number of members is continuing to grow steadily standing at 3,299 at 30 September 2022 (2021: 2,983). Membership retention varies across the different levels of membership, with Fellows demonstrating a strong 90% retention rate. A 'leavers' membership campaign is in development to encourage people to rejoin and explore why they left. The membership comprises:

Fellows: 697 (2021: 698)
Members: 857 (2021: 873)
Associates: 997 (2021: 811)
Students: 748 (2021: 601)

IFST worked with an external agency to contact lapsed members, attracting 35 rejoiners. A 'Refer a friend' campaign has been used to promote membership during the main renewal periods. The 'Feeding our future' campaign, enabling those who have been working in a technical role for over 10 years can join IFST and "pay it forward", helping to fund an early career professional with less than 10 years of experience to also join IFST free of charge, was launched at the IFST Lecture in April 2022.

'IFST Community', the member engagement platform which enables members to interact with each other as individuals or as members of branch or SIG networks, has continued to grow but achieved less traction than anticipated and a review of the platform is planned.

A revised Honorary Fellowship award was adopted during the year, allowing for the nomination of individuals who have made the most significant contributions to the Institute, profession or the sector, regardless of being a member or non-member.

IFST remains hugely indebted to the 250 or more members who regularly contribute in some capacity, such as serving on a committee, helping with policy development, responding to consultations, presenting at events and writing for publications.

5) Encouraging and supporting our future talent

We are in a position to inform the sector on the current and future talent/skills needs relevant to FS&T and, where appropriate, we provide leadership in the delivery of those needs. The talent pipeline through all channels is sufficient to meet the needs of the sector.

Key initiative and activities included:

- Planning for the redevelopment of the Love Food Love Science website
- Developing training provider accreditation
- Starting to implement the four themes from the Education Strategy, which included working with STEM as a professional body and promoting STEM ambassador scheme to members, and promoting National Apprenticeship Week
- Continuing to support accredited HEI providers through 'faculty meetups'
- Continue to operate the degree accreditation scheme
- Preparing to establish baseline data for different routes into the sector

Student LaunchPads attracted 119 registrations in November 2021 and for the first time a separate event was run for apprentices attracting 76 in February 2022.

The degree accreditation scheme for undergraduate and postgraduate degree courses in food science and technology has attracted new applications, with a current total of 56 degree courses accredited (2021: 50), representing the majority of UK food science and technology degree provision.

Love Food Love Science, the website resource for young people and secondary school teachers continues to achieve strong results, with over 210,190 users (2021: 252,600). Plans continue to be made to capitalise on the success of the site and to enhance existing and develop new resources.

In collaboration with Campden BRI, IFST continues to support 'Ecotrophelia', an EU-wide 'dragons den'-type competition for teams of university students, and this year celebrated the tenth anniversary of the competition. The 2022 UK competition attracted 13 teams from 7 universities (2021: 11 and 6). The UK heat was conducted online with teams presenting high quality products to a high-profile panel of 'dragons'. The winners (a team from the University of Nottingham, with their product, 'Cracker(ed) it Crackers') will represent the UK in the European online final in October 2022.

The 2021-22 POST Fellow Heike Rolker has been looking at diet-related health inequalities. Her POSTnote will be published by the Parliamentary Office of Science and Technology (POST), supported by a grant from IFST.

The Student Group and network of university student representatives continued to promote food science and technology as an exciting and rewarding career choice to young people.

6) Financial stability, effective governance and sustainability

We have sustainable income streams by commitment to priorities 1 to 5 above and continue to review and develop products/services that meet the changing needs of members and the sector generally. These are all underpinned by effective cost control, sound financial and risk management and robust governance followed by the Board and the Executive.

The Board, supported by the IFST executive, the Finance, Scientific, Education, Professional Development, Publications and External Affairs Committees, as well as advisory groups and panels, continues to plan activity, monitor and review performance, and manage risks in line with the strategic priorities.

Key initiatives and activities included:

- Working with our publishers, Wiley, to actively manage the transition of IJFST to Open Access
- Exploring alternative income streams
- Embedding governance changes from Project Diamond
- Delivering a new operating model for the office
- Pursue EDI objectives
- Complete an options appraisal for website/database platforms

Developments in publishing are closely monitored by the Publications Committee and the Institute is adapting its strategy towards Open Access publishing.

Project 4000 Working Group has been exploring options to grow the membership beyond 4000, e.g. a 'refer a friend campaign' was launched in October 2021.

The Institute's governance structure and main committee terms of reference are fit for purpose following the review last year. Branch and Special Interest Group terms of reference have been updated as part of Project Diamond.

With the announcement that Jon Poole, Chief Executive, intended to leave IFST in November 2022, Remuneration & Benefits Committee has overseen the recruitment and selection of a new Chief Executive, Tim McLachlan, who took up the position in October 2022. The executive team has undergone a number of other changes during the year, including the appointment of Bharat Pandya as Operations Manager. Remuneration & Benefits Committee and Board recognise the pressure these changes have placed on the executive team as well as the potential risk and impact on delivery and, consequently, are closely monitoring and supporting the team while it undergoes the transition.

The McLachlan Collection has been rehoused in the Cambridge Court. Increasing use of the office is evident as the public health situation allows, mainly for face-to-face meetings and collaboration. Work patterns going forward are being reconsidered with the appointment of Tim McLachlan as the new Chief Executive.

Diversity, equity and inclusion

The Institute is a signatory to the Science Council Declaration on Diversity, Equality and Inclusion. The Board has appointed a 'diversity champion' for these matters. IFST continues to work with the Science Council to improve representation, equity and inclusivity. Employee recruitment processes have been reviewed to mitigate the potential for unconscious bias and attract a diverse range of applicants.

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Report of the Trustees (incorporating the Directors' Report) For the Year Ended 30 September 2022

Environmental Impact

Although the Institute is an organisation of just 12 employees working out of a modest office space - and does not trigger the threshold for SECR reporting - it does recognise the need to manage and, where relevant, report on its environmental impact. Indeed, as the professional body for those engaged in food science and technology, with the food sector contributing so significantly to carbon emissions and other environmental impacts, IFST recognises the leadership it must show.

- Carbon: limited to employee travel, heating premises (11kWh) and electricity for light office equipment.
- Greenhouse Gas Emissions: limited to typical household emissions.
- Water: very low; limited to WC, drinks making facilities and dish washing.
- Waste: low; typical small office. Separate recyclable waste stream handled by local authority.
- Resource efficacy and materials: low; typical small office.
- Emissions to Air, Land and Water: low; typical small office.
- Biodiversity and Ecosystems: limited to typical small office.

FINANCIAL REVIEW

Principal funding sources

The major income streams were publications £372,710 (2021: £390,954) followed by membership subscription £235,191 (2021: £242,331). Significant income was also generated from education and accreditation activities.

Reserves Policy

At the year end, the charity's reserves stood at £1,411,180 (2021: £1,736,121), within which the Trustees identified two areas (where designated reserves totaling £256,722 have been established for specific purposes) in addition to the general reserve which supports the overall running of the charity (see note 17). The premises renovation & equipment reserve is held for repairs and renovations to the office and meeting space at 5 Cambridge Court. The Trustees reviewed the reserves in 2021 and agreed it would be prudent to hold a minimum reserve of £510,000 in any one year and that, in addition, a further £1,200,000 should be held for longer term exceptional risks as identified in the risk register. The reserves policy takes account of risks and opportunities faced by the charity, the number and sources of income, security of income, level of expenditure commitment and other liabilities to ensure reserves continue to represent sufficient mitigation to foreseeable risks and are not excessive.

Investment Policy

The Trustees wish to invest those monies not immediately required for the benefit of the charity's activities in such a manner that annual interest on the investment, after such taxes as may be levied on charities, will be CPI plus 3.5% over a 3 to 5 year period.

The Board of Trustees believes that a medium risk investment policy is appropriate. Medium risk is described as being prepared to accept risk of some short-term volatility in pursuit of returns over the medium- to long-term in line with this investment target.

The Trustees recognise that they are not in a position to trade on a frequent basis and have delegated management of the portfolio to investment managers Cazenove Capital. The Trustees have also determined the investment will be held in a Responsible Multi-Asset Fund, which seeks to avoid harm (integrating ESG factors), benefit people and the planet, and supports Sustainable Development Goals, and therefore excludes investments in assets like fossil fuels.

Investment Performance

During the year the value of investments decreased by £270,758, including losses of £115,540.

Fundraising

On occasion, IFST receives voluntary funds from trusts, foundations and individuals as income that helps us to fulfil our charitable objectives.

The executive team administers any voluntary income received in this way but does not actively fundraise. IFST does not engage external professional fundraisers or commercial participators to carry out fundraising activity nor engage in face-to-face or telephone fundraising. In developing the approach to fundraising IFST has taken account of the Code of Fundraising Practice issued by the Fundraising Regulator. The charity has received no complaints about its fundraising activities either during the financial year or subsequently.

The charity periodically reviews its policies and procedures in relation to the General Data Protection Regulation. This Privacy Policy, published on our website, clearly states what personal data we will hold in relation to members, stakeholders and related contacts and how this data will be used. It sets out how individuals can raise concerns or complaints.

PLANS FOR FUTURE PERIODS

The Board of Trustees has agreed an outline business plan for the three years to 2024 and a detailed plan for the period October 2022-September 2023 focused on the six strategic priorities:-

Providing and sharing evidence-based FS&T knowledge

- Continued focus on curation of others' trusted resources as well as generating own content (continued from 2020/21)
- Continue to use interns to help generate and curate resources
- Rather than hybrid, we plan for a mix of live and online events
- Work with our networks to ensure the number of events is realistic, balanced and coordinated
- Maintain quality and grow attendance at key events such as Sping Conference
- Focus networks on quality rather than quantity
- Improve promotion of all resources

Influencing and supporting key stakeholders

- Maintain regular dialogue with Government departments and funding bodies - especially those with science and policy leads in FSA, FSS, Defra, Office for Health Promotion, DoEd., Welsh Assembly, NI, UKRI, ARIA
- Deliver against the stakeholder engagement plan
- Embed Wales Branch and support relationship with all four Nations
- If Scottish devolution looks probable - then develop contingency plans for registering as a charity in Scotland (OSCR)
- Continue to develop key policy positions on agreed guidance/template
- Identify and develop relevant events/themes, primarily focused where IFST leading and influencing e.g. food security and UK diet
- Plan/redesign second horizon scanning process
- Prepare for outcomes of the petition for a Royal Charter

Promoting professional standards and development

- Continue to monitor and adapt to GSFI proposals
- Consider applying for ISO17024 accreditation
- Grow BRCGS promotional scheme for Food Safety Register and/or seek other similar opportunities
- Continue to pursue larger 'group schemes' and identify and pursue prime targets
- Update and upgrade assessment processes and criteria for IFST registers

Utilising and growing the strength of our membership

- Delivery of actions against the Project 4000 delivery plan
- Continue with existing and develop new campaigns (e.g. feeding our future, refer a friend)
- Conduct the 2-yearly membership survey
- Review the IFST Communities platform
- Monitor take-up of the reformatted Hon Fellowship Award
- Explore a 'Rising Star' or equivalent award to recognize the younger generation

Encouraging and supporting our future food sector

- Develop Love Food Love Science site and resources under Project Inspire in line with the Education Strategy
- Launch new training provider accreditation following successful pilot
- Document progression pathways in line with Education Strategy
- Support a rationalised list of competitions focusing on 'Future talent'
- Establish baseline data for different routes and pathways into the sector

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Report of the Trustees (incorporating the Directors' Report) For the Year Ended 30 September 2022

Financial stability, effective governance and sustainability

- Develop a plan to manage effectively the transition of IJFST to Open Access with minimal impact on financial prospects
- Start process for tender for IJFST publishing
- Explore other alternative income streams to offset any income shortfall (continued from 2020/21)
- Review (by Independent Assessor) to determine if the constitution is fit for purpose
- Design and deliver new office operating model, and pilot productivity tools
- Promote EDI through surveys and articles to set and monitor EDI targets
- Start planning for 2024 Diamond (60th) Jubilee
- Embed the new CRM platform
- Complete options appraisal for web platform (Drupal 9 or other)
- Onboard new Chief Executive, including introduction to key stakeholders

RELATED PARTIES

The only related party transactions in the year are shown in note 18. There are no related parties outside the normal course of business.

GOING CONCERN

The Institute has been affected by lockdowns and other restrictions. A significant proportion of IFST's income comes from publishing and membership activity, which have continued to hold up and are expected to continue to be insulated from any significant impacts from Covid-19, whether directly or because of a wider economic downturn. As noted above, income generating event activity has been limited but so has the cost of running physical meetings.

Noting the apparent security of the Institute's income streams and stability of expenditure in light of recent (and potential future) shocks and the levels of reserves, the trustees plan an ambitious programme of work and continue to operate IFST as a going concern.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Report of the Trustees (Incorporating the Directors' Report) For the Year Ended 30 September 2022

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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;
- prepare the financial statements on the 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 and 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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In approving the Trustees' Report, the Trustees are also approving the Directors' Report in their capacity as company directors.


Auditor

Moore Kingston Smith LLP is deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed on behalf of the Trustees


.....
Sam Jennings
Hon Treasurer

Approved by the Trustees on

15 Feb 2023

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Independent auditor's report to the members of Institute of Food Science and Technology

Opinion

We have audited the financial statements of the Institute of Food Science and Technology For the Year Ended 30 September 2022 which comprise the Statement of Financial Activities, the Balance Sheet the 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 FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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.

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Independent auditor's report to the members of Institute of Food Science and Technology

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Independent auditor's report to the members of Institute of Food Science and Technology

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Independent auditor's report to the members of Institute of Food Science and Technology

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Moore Kingston Smith LLP

.....
Luke Holt (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

1st March 2023
Date:

6th Floor
9 Appold Street
London
EC2A 2AP

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Statement of Financial Activities (Incorporating an Income and Expenditure Account) For the Year Ended 30 September 2022

	Notes	2022 Unrestricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM:				
Charitable activities:	3			
Publishing		372,710	372,710	390,954
Education		24,526	24,526	24,855
Accreditation		86,950	86,950	74,368
Membership subscription		235,191	235,191	242,331
Sponsorship		11,200	11,200	8,700
Investments:				
Investment income	2	49,637	49,637	49,730
Total income		780,214	780,214	790,938
EXPENDITURE ON				
Raising funds:				
Investment management costs	4	4,690	4,690	4,314
Charitable activities:	5			
Publishing		59,041	59,041	62,353
Education		300,931	300,931	266,091
Accreditation		139,981	139,981	117,512
Membership administration		326,861	326,861	332,394
Other		75,567	75,567	69,595
Total expenditure		907,071	907,071	852,259
Net operating expenditure		(126,857)	(126,857)	(61,321)
Net (losses)/gains on investments		<u>(115,540)</u>	<u>(115,540)</u>	<u>184,890</u>
Net expenditure for the year		(242,397)	(242,397)	123,569
Other recognised gains/(losses):				
Actuarial gains/(losses) on defined benefit pension schemes		(82,544)	(82,544)	2,709
Net movement in funds		(324,941)	(324,941)	126,278
RECONCILIATION OF FUNDS				
Total funds brought forward		<u>1,736,121</u>	<u>1,736,121</u>	<u>1,609,843</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,411,180</u>	<u>1,411,180</u>	<u>1,736,121</u>

All amounts relate to continuing activities.

All income and expenditure in 2021 and 2022 related to unrestricted activities.

The notes on pages 24 – 35 form part of these financial statements.

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Balance Sheet as at 30 September 2022

	Notes	2022 Total funds £	2021 Total funds £
FIXED ASSETS			
Intangible assets	10	28,643	33,750
Tangible assets	11	178,079	181,396
Investments	12	1,305,119	1,575,877
		<u>1,511,841</u>	<u>1,791,023</u>
CURRENT ASSETS			
Debtors	13	99,176	29,554
Cash at bank		171,248	152,587
		<u>270,424</u>	<u>182,141</u>
CREDITORS			
Amounts falling due within one year	14	(237,936)	(188,943)
NET CURRENT ASSETS/(LIABILITIES)		<u>32,488</u>	<u>(6,802)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,544,329</u>	<u>1,784,221</u>
Defined benefit pension scheme liability	15	(133,149)	(48,100)
NET ASSETS		<u><u>1,411,180</u></u>	<u><u>1,736,121</u></u>
FUNDS			
Unrestricted funds	17	1,411,180	1,736,121
TOTAL FUNDS		<u><u>1,411,180</u></u>	<u><u>1,736,121</u></u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 15 Feb 2023 and were signed on its behalf by:


.....

Sam Jennings
Hon Treasurer

The notes on pages 24 – 35 form part of these financial statements.

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Cash flow Statement

For the Year Ended 30 September 2022

	Total funds £	Prior year funds £
Cash flows from operating activities:		
Net cash provided by operating activities	(135,454)	(92,034)
Cash flows provided by/(used in) investing activities:		
Investments, dividends and interest income	49,637	49,730
Purchase of intangible fixed assets	(42,750)	-
Purchase of tangible fixed assets	(7,990)	(5,036)
Proceeds from the sale of investments	200,000	-
Purchase of investments	(49,063)	(49,712)
Movement in cash held by investment manager	4,281	4,314
Net cash (used in)/provided by investing activities	154,115	(704)
Change in cash and cash equivalents in the reporting period	18,661	(92,738)
Cash and cash equivalents at the beginning of the reporting period	152,587	245,325
Cash and cash equivalents at the end of the reporting period	171,248	152,587

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

	Current Year £	Prior Year £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(324,941)	126,278
Adjustments for:		
Depreciation and amortisation	59,166	41,513
Losses/(gains) on investments	115,540	(184,890)
Investments, dividends and interest income	(49,637)	(49,730)
(Increase)/decrease in debtors	(69,624)	(915)
Increase/(decrease) in creditors	48,993	(21,585)
Movement in pension liability	85,049	(2,709)
Net cash used in operating activities	(135,454)	(92,034)

Analysis of cash and cash equivalents

	Current Year £	Prior Year £
Cash in hand	171,248	152,587
Total cash and cash equivalents	171,428	152,587

1. ACCOUNTING POLICIES

Company information

The Institute of Food Science And Technology is a private company limited by guarantee, incorporated in England and Wales. The registered office is 5 Cambridge Court, 210 Shepherds Bush Road, London, W6 7NJ.

Accounting convention

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. They are in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The functional currency is sterling and the financial statements are rounded to the nearest pound. The Charity constitutes a public benefit entity as defined by FRS 102.

Going concern

The financial statements are prepared on a going concern basis which assumes that the charitable company will continue in operational existence for the foreseeable future. The Trustees have prepared forecasts for a period of at least twelve months from the date of approval of these financial statements which demonstrate that IFST will continue to meet its liabilities as they fall due for that period. Like every business, the Institute has been affected by the lockdown and other restrictions. A significant proportion of IFST's income comes from publishing and membership activity, which have held up very well in recent times and are expected to continue to be insulated from any significant impacts, whether directly or because of a wider economic downturn. With the direct effects of Covid-19 seemingly subsiding, the indirect effects of the current cost of living crisis, including increased inflation and interest rates, could pose a threat. However, IFST are expected to come through this relatively unscathed with increased income targets in years to come.

Noting the apparent security of the Institute's income streams and stability of expenditure in light of recent (and potential future) shocks and the level of reserves, the trustees plan an ambitious programme of work and continue to operate IFST as a going concern.

Income recognition

All income is included on the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy and there is probability of receipt.

International Journal of Food Science Technology

The *International Journal of Food Science Technology* included within publishing income, is accounted for by bringing into the Statement of Financial Activities its share of profit earned under its agreement with its publisher, who runs to a 31st December year end.

Expenditure recognition

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

The cost of raising funds comprises the costs of managing the investment portfolio.

Charitable activities expenditure comprises those costs incurred by the Institute in the delivery of its objectives. It includes both costs that can be allocated directly to such activities and an allocation of the indirect support costs incurred by the Institute.

Support costs represent indirect expenditure incurred in support of the Institute's primary objectives and allocated on the basis as detailed in note 6.

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Notes to the Financial Statements For the Year Ended 30 September 2022

Intangible fixed assets

Intangible fixed assets comprise of website costs. They are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. The capitalisation threshold for intangible fixed assets is £1,000.

Amortisation commences once the asset is completed and brought into use and is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website development costs	-3 years straight line
---------------------------	------------------------

Tangible fixed assets

The capitalisation threshold for tangible fixed assets is £1,000. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property (excluding land)	-2% on cost
Improvements to property	-10% on cost
Office equipment	-10-33% on cost

Gains/losses on investment assets

All gains and losses are taken to the Statement of Financial Activities as they arise. Unrealised gains and losses on investment assets represent the difference between their fair value at the end of the year and their fair value at the beginning of the year, or transaction value if acquired during the year. Realised gains and losses on disposal of investment assets represent the difference between the sale proceeds and the fair value at the beginning of the year, or transaction value if acquired during the year.

Financial instruments

The company has chosen to apply the provisions of Section 12 "Basic Financial Instruments" and Section 12 "Other Financial Instruments" of FRS102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instruments. Financial assets and liabilities are offset, with the net amount presented in the financial statements, when there is a legally enforceable right set off the recognised amounts and there is an intention to settle on a net basis or by realising the asset and settling the liability simultaneously.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using their closing quoted market price. Realised and unrealised gains and losses are shown in the statement of financial activities together as net gains on revaluation and disposals of investment assets. The Institute does not directly acquire put options, derivatives or other complex financial instruments.

Debtors

Debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Creditors

Creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Taxation

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

Funds

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. A premises renovation & equipment designated reserve is maintained for periodic renovation of 5 Cambridge Court.

Restricted funds are used for the specific purposes laid down by the donor. Expenditure which meets their criteria is charged to the fund.

Defined benefit pension scheme

The Institute participates in the Universities Superannuation Scheme (USS). The scheme is a hybrid pension scheme providing defined benefit (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Due to the mutual nature of the scheme, the scheme's assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Institute is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the Employee scheme on a consistent and reasonable basis. As required by FRS 102 Section 28 "Employee benefits", the Institute therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents an industry wide scheme such as USS. The accounting for a multi-employer scheme where the employer typically has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with Section 28 of FRS 102. The directors are satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements.

Critical accounting estimates and areas of judgement

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgements are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The USS pension scheme is a multi-employer scheme for which a deficit reduction plan is recognised. The determination of the provision is dependent on the assumptions in relation to the length of term of the plan arrangement, contribution rates assessed, actuarial assumptions and future changes to underlying interest rates. These assumptions may vary over time and impact on the provision value in future periods accordingly.

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Notes to the Financial Statements For the Year Ended 30 September 2022

Heritage assets

The Institute owns a collection of books and papers on food science and technology and other related subjects. These are known as the 'McLachlan Collection' as the majority of the collection was donated to the Institute by the, now, late Prof Tom McLachlan, Past IFST President in or around 1978. Over the years, further books were added or donated to the collection by various parties but the collection has since remained in storage for more than 20 years. Following a thorough assessment of this collection we now feel it appropriate to consider these as a 'Heritage Asset' under Financial Reporting Standard 102 and the Charities SORP. We are not in a position, nor do we feel it appropriate at this time, to place a value on the collection which would be a costly exercise and would serve little purpose due to the unique nature of the collection. Our primary focus is to establish a safe repository for the collection which will enable free access for those who request to use it. Further information on the McLachlan Collection is provided in the Trustees Annual Report.

2. INVESTMENT INCOME		2022	2021
		£	£
UK Investments, dividends and interest		49,637	49,730
3. INCOME FROM CHARITABLE ACTIVITIES		2022	2021
Activity		£	£
IJFST	Publishing	342,103	355,016
IJFST for members	Publishing	681	2,806
Food Science & Technology	Publishing	7,845	2,695
Other publications sales	Publishing	10,682	22,907
Advertising	Publishing	11,398	7,530
Events	Education	14,005	8,646
MyCPD & employer schemes	Accreditation	-	1,103
SALSA	Accreditation	23,870	23,730
Other accreditation schemes	Accreditation	55,517	40,524
Science Council Registers	Accreditation	7,564	8,803
IFT/IFST	Accreditation	-	208
IFST Registers	Accreditation	10,521	16,209
Membership subscriptions	Membership subscription	235,191	242,331
Corporate sponsorship	Sponsorship	11,200	8,700
		730,576	741,208
4. INVESTMENT MANAGEMENT COSTS		2022	2021
		£	£
Investment management fees		4,690	4,314

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Notes to the Financial Statements For the Year Ended 30 September 2022

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 6)	Totals 2022	Totals 2021
	£	£	£	£
Publishing	21,257	37,784	59,041	62,353
Education	28,890	272,041	300,931	266,019
Accreditation	19,074	120,907	139,981	117,512
Membership administration	77,490	249,371	326,861	332,394
Other	-	75,567	75,567	69,595
Total 2022	146,710	755,670	902,380	847,945
Total 2021	151,991	695,954	847,945	

6. SUPPORT COSTS

Support costs are attributed as follows:

Basis of allocation

Publishing 5%
Education 36%
Accreditation 16%
Membership administration 33%
Other 10%

Support costs comprise:

	2022 Total activities £	2021 Total activities £
Employment costs	570,086	538,076
Legal expenses	12,018	15,562
Other costs	114,400	100,800
Depreciation of tangible assets	11,309	8,672
Amortisation of intangible assets	47,857	32,844
	755,670	695,954

7. NET INCOME

Net income is stated after charging:

	2022 £	2021 £
Auditor's remuneration – audit current year	7,200	7,100
Auditor's remuneration – audit prior year under accrual	2,850	-
Auditor's remuneration – non audit	1,700	2,800
Depreciation - owned assets	11,309	8,672
Amortisation - owned assets	47,857	32,844

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2022 nor for the year ended 30 September 2021.

Trustees' Expenses

Expenses of the trustees are reimbursed if they submit a claim. The total expenses for travel and subsistence reimbursed to three trustees (2021: fourteen) during the year were £2,038 (2021: £1,698).

9. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	474,201	451,443
Social security costs	45,399	46,800
Pension	40,282	31,601
	559,882	529,844

	2022	2021
Average number of employees during the year	14	14

There were no employees whose emoluments excluding employers' pensions contributions amount to over £60,000 in the year.

Key management personnel comprise of three members of senior management (2021: 3) and the Chief Executive. The total benefits received by key management personnel in the year amounted to £240,239 (2021: £231,836).

10. INTANGIBLE FIXED ASSETS

	Website development costs £	Total £
COST		
At 1 October 2021	99,528	99,528
Additions	42,750	42,750
At 30 September 2022	142,278	142,278
AMORTISATION		
At 1 October 2021	65,778	65,778
Charge for the year	47,857	47,857
At 30 September 2022	113,635	113,635
NET BOOK VALUE		
At 30 September 2022	28,643	28,643
At 30 September 2021	33,750	33,750

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Notes to the Financial Statements For the Year Ended 30 September 2022

11. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Office equipment £	Total £
COST				
At 1 October 2021	279,267	82,105	24,465	385,837
Additions	-	-	7,990	7,990
At 30 September 2022	279,267	82,105	32,455	393,827
DEPRECIATION				
At 1 October 2021	125,057	64,553	14,829	204,439
Charge for year	3,800	2,308	5,201	11,309
At 30 September 2022	128,857	66,861	20,030	215,748
NET BOOK VALUE				
At 30 September 2022	150,410	15,244	12,425	178,079
At 30 September 2021	154,210	17,552	9,636	181,398

12. FIXED ASSET INVESTMENTS

Listed investments	2022 £	2021 £
MARKET VALUE		
At 1 October 2021	1,575,877	1,345,589
Additions at cost	49,063	49,712
Disposal proceeds	(200,000)	-
Realised gains on disposals	1,905	-
Unrealised (losses)/gains on revaluation	(117,445)	184,890
Movement in investment broker's cash	(4,281)	(4,314)
At 30 September 2022	1,305,119	1,575,877
Historical cost	1,119,239	1,236,731

The following investments comprise in excess of 5% of the value of the portfolio:

Investment Name	Holding (in units)	Value £
SUTL Cazenove Charity Responsible	1,942,657	1,204,445
Investments consist of:	2022 £	2021 £
Equity	1,204,445	1,470,922
Cash	100,674	104,955
	1,305,119	1,575,877

12. FIXED ASSET INVESTMENTS (continued)

Geographical Analysis

	2022	2021
	£	£
United Kingdom investments	100,672	104,955
Overseas investments	1,204,447	1,470,922
	1,305,119	1,575,877

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	57,469	22,119
Prepayments and accrued income	30,480	2,378
Other Debtors	11,227	5,057
	99,176	29,554

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2021
	£	£
Trade creditors	14,337	16,014
Social security and other taxes	14,656	10,536
Accruals and deferred income	204,004	154,949
Defined benefit pension liability	4,939	7,444
	237,936	188,943

Included in the above is deferred income totalling £187,419 (2021: £140,296) which predominantly related to publication royalties and membership subscriptions. The 2021 amount was fully released in the 2022 year.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Defined benefit pension liability	133,149	48,100

16. PENSION COMMITMENTS*Universities Superannuation Scheme (USS)*

The total cost charged to the statement of financial activity was £40,282 (2021: £31,601) as shown in note 9. There was neither a prepayment nor an accrual at the end of the financial year in respect of these contributions.

However, due to the adoption of FRS 102 there is now a liability in the accounts for the contributions payable that arise from the agreed future deficit contributions, this has been discounted to present value at each year end. This has been split between creditors falling due within one year and creditors falling due after more than one year. The movement in this liability from year to year is posted to the statement of financial activities and the element of unwinding the discount on the liability is recorded as finance costs in the statement of financial activities.

	2022	2021
	£	£
DB pension liability falling due within one year	4,939	7,444
DB pension liability falling due after more than one year	133,149	48,100
Movement in DB pension liability in SOFA	82,544	2,709

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2018 ("the valuation date"), which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete.

Since the institution cannot identify its share of USS Retirement Income Builder assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £67.3 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below:

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rate)	Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21+: CPI + 1.55%

16. PENSION COMMITMENTS (continued)

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	Valuation Pre retirement: 71% of AMCOO (duration 0) for males and 112% of AFC00 (duration 0) for females. Post retirement: 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females
----------------------	---

Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long term Improvement rate of 1.8% p.a. for males and 1.6% p.a. for females
----------------------------------	---

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2014 projections with a 1.5% pa long term rate were also adopted.

The current life expectancies on retirement at age 65 are:

	2022	2021
Males currently aged 65 (years)	23.9	24.7
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.7
Females currently aged 45 (years)	27.3	27.9

A new deficit recovery plan was put in place as part of the 2020 valuation which requires payment of 6.2% of salaries over the period 1 April 2022 to 31 March 2024 at which point the rate will increase to 6.3%. The 2022 deficit recover liability reflects this plan. The liability figures have been produced using the following assumptions:

	2022	2021
Discount rate	2.80%	2.59%
Pension increases (CPI)	1%	1%

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Notes to the Financial Statements For the Year Ended 30 September 2022

17. MOVEMENT IN FUNDS

	At 01.10.21	Income	Expenditure	Net investment losses	Actuarial gain on pension	Transfers	At 30.09.22
	£	£	£	£		£	£
Unrestricted funds							
General fund	1,470,975	780,214	(907,071)	(115,540)	(82,544)	8,424	1,154,458
Fixed asset reserve	215,146	-	-	-	-	(8,424)	206,722
Premises renovation & equipment reserve	50,000	-	-	-	-	-	50,000
TOTAL FUNDS	1,736,121	780,214	(907,071)	(115,540)	(82,544)	-	1,411,180

	At 01.10.20	Income	Expenditure	Net investment losses	Actuarial gain on pension	Transfers	At 30.09.21
	£	£	£	£		£	£
Unrestricted funds							
General fund	1,308,216	790,938	(852,259)	184,890	2,709	36,481	1,470,975
Fixed asset reserve	251,627	-	-	-	-	(36,481)	215,146
Premises renovation & equipment reserve	50,000	-	-	-	-	-	50,000
TOTAL FUNDS	1,609,843	790,938	(852,259)	184,890	2,709	-	1,736,121

Unrestricted funds

The "Fixed Asset Reserve" is to fund the cost of the Charity's fixed assets, primarily the provision of an office for the Charity and associated activities. During the year a transfer of £8,424 was made from the General Fund to align the value of the reserve with the book value of fixed assets as set out in note 11.

The "Premises Renovation & Equipment Reserve" is to fund the cost of renovation and improvement of the charity's head office and office equipment, consisting of internal and external redecoration normally every two years with the option of more substantial work if needed every five-to-ten years. Please note that £nil was spent during the year on capital renovation work and has been included in fixed asset additions (2021: £5,036).

18. RELATED PARTY TRANSACTIONS

The charity received £24,501 (2021: £29,230) for the provision of accreditation services to Safe And Local Supplier Approval (SALSA). A balance of £7,152 was due at as at 30 September 2022 (2021: £7,152). This entity has two directors in common with Institute of Food Science and Technology.

The charity received £201 (2021: £nil) for the provision of membership, advertising and Science Council Register services to Berry Ottaway. Nothing was due as at 30 September 2022 nor 30 September 2021. This entity has one director in common with Institute of Food Science and Technology.

The charity received £13,563 (2021: £nil) for the provision of accreditation, membership and sponsorship services to Campden BRI. Nothing was due as at 30 September 2022 nor 30 September 2021. This entity has two directors in common with Institute of Food Science and Technology.

The entity received £1,735 (2021: £1,207) from 11 trustees (2021: 9) in the form of membership fees. There were no fees outstanding as at 30 September 2022 (2020: £Nil). An additional £nil was received from 0 trustees (2021: £325 from 7 trustees) for event fees or publications.

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Detailed Statement of Financial Activities

For the Year Ended 30 September 2022

	2022 £	2021 £
INCOME FROM		
Donations:		
Fundraising	-	-
Charitable activities:		
IJFST	342,103	355,016
IJFST for members	681	2,806
Food Science & Technology	7,845	2,695
Other publications sales	10,682	22,907
Advertising	11,398	7,530
Events	14,005	8,646
MyCPD & employer schemes	-	1,103
SALSA	23,870	23,730
Other accreditation schemes	55,517	40,524
Science Council Registers	7,564	8,803
FT/IFST	-	208
IFST Registers	10,521	16,209
Membership subscriptions	235,191	242,331
Corporate sponsorship	11,200	8,700
	<u>730,576</u>	<u>741,208</u>
Investments:		
Investment income	49,637	49,730
Total income	<u>780,214</u>	<u>790,938</u>
EXPENDITURE ON		
Raising funds:		
Investment management fees including support costs	4,690	4,314
Charitable activities:		
IJFST	-	1,656
Food Science & Technology	18,912	17,697
Other publication costs	2,345	8,202
Schools & Careers	1,023	3,461
Awards	2,017	5,706
Website (including database)	53,528	62,069
Events	23,296	5,024
External representation	6,899	659
MyCPD & employer schemes	-	280
SALSA	500	-
Other accreditation schemes	11,675	5,500
Science Council Register	14,627	23,637
IFT/IFST	-	2,964
IFST Registers	9,335	14,233
Fundraising	-	1,085
Sundry member activities	2,477	272
	<u>151,400</u>	<u>156,305</u>
Carried forward		

This page does not form part of the statutory financial statements.

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY**Detailed Statement of Financial Activities**

For the Year Ended 30 September 2022

	2022 £	2021 £
Brought forward	151,400	156,305
Governance costs		
Auditor's remuneration	8,800	8,700
Support costs		
Management		
Employment costs	570,086	538,076
Consultancy & outsourcing	18,773	17,829
Building maintenance & service	18,665	20,838
Office equipment maintenance	23,271	23,072
Committee expenses	3,866	3,835
Communications	15,713	13,706
Legal expenses	14,968	18,512
Irrecoverable VAT	22,366	9,870
Freehold property - Depreciation	6,108	6,108
Office Equipment - Depreciation	5,201	2,564
Website – Amortisation	47,857	32,844
Total expenditure	907,071	852,259
Net operating expenditure	(126,857)	(61,321)
Net (losses)/gains on investments	(115,540)	184,890
Net income for the year	(242,397)	123,569
Other recognised gains/(losses):		
Actuarial losses on defined benefit pension schemes	(82,544)	2,709
Net income/(expenditure)	(324,941)	126,278

This page does not form part of the statutory financial statements.