

The Institute of Quarrying

Trustees' Report and Financial Statements

For the Year Ended 31 December 2021

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Reference and Administrative Details of the Company, its Trustees and Advisers
For the Year Ended 31 December 2021

Trustees

M Riley, President
VG Russell, Chairman
B Williams, Deputy Chairman
D Bagshaw
R Allington
P Williamson
PFW Cottrell
BM Uphill
MR Dobson
HK Bailey (appointed 14 September 2021)
TJ Corcoran (appointed 14 September 2021)
PK Redmond (resigned 14 September 2021)
K Gough (resigned 14 September 2021)

Company registered number

00606601

Charity registered number

244812

Registered office

McPherson House
8a Regan Way
Chetwynd Business Park
Chilwell
Nottinghamshire
NG9 6RZ

Company secretary

JE Thorne

Independent auditors

Dains LLP
Statutory Auditor
2 Etruria Office Village
Forge Lane
Stoke on Trent
Staffordshire
ST1 5RQ

Reference and Administrative Details of the Company, its Trustees and Advisers (continued)
For the Year Ended 31 December 2021

Bankers

Lloyds Bank Plc
Parliament Street
Nottingham
NG1 3DA

Solicitors

Harvey Ingram Shakespeares LLP
20 New Walk
Leicester
LE1 6TX

Investment Advisors

Investec Wealth and Investment
Beech House
61 Napier Street
Sheffield
S11 8HA

Trustees' Report
For the Year Ended 31 December 2021

The Trustees present their annual report together with the audited financial statements of The Institute of Quarrying for the year 1 January 2021 to 31 December 2021. The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provision of Accounting and Reporting Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The Institute of Quarrying has charitable status and is a company limited by guarantee. Its primary objective is 'To advance the science, practice and professionalism of quarrying through education, training and the encouragement of progressive improvements in standards of business, technical and environmental performance'.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

During 2021 the Institute continued to deliver its five-year strategy incorporating four strategic pillars to support achieving its charitable purpose. As part of its Strategy the Institute progressed negotiations with the National Stone Centre (NSC) with the objective to align the two organisations and move the Institute to the NSC site based at Wirksworth in Derbyshire.

b. Strategies for achieving objectives

The strategy has four pillars;

- Be the global leader for standards in the mineral extractives' profession
- Drive innovation and operational best practice
- Support the industry in driving healthy, sustainable workplaces
- Promote the positive impact of the industry and profession

c. Membership engagement and growth

The Institute seeks to grow its membership through new members joining and retaining its existing membership base. As such the Institute sets targets and monitors performance for member retention and recruitment. The objective for the Institute in line with its charitable purpose is to have an engaged and growing membership globally.

The primary route to membership retention is through member engagement and services. The Institute's regional Branch structure delivers regular events across the UK to support members in developing and maintaining their technical knowledge. Through the Covid pandemic the ability to hold physical events was more limited, many events were held online to continue to engage and support members.

Trustees' Report (continued)
For the Year Ended 31 December 2021

Objectives and activities (continued)

d. Training and education delivered

The organisation has developed and delivered a number of courses which are delivered in the UK and internationally in conjunction with its partnership with the University of Derby Centre for Mineral Products.

The courses cover core areas of knowledge and skills with relation to the minerals extractive processes. The Institute remains committed to supporting the development of knowledge and skills in key areas including Health and Safety.

e. Activities for achieving objectives

Through industry relevant education, training programmes, good practice guidance materials, conferences and Branch technical events, the Institute supports members in developing quarrying professionals' skills and competence to enable them to:

- make on-going improvements in the way that the essential raw materials which underpin our society are won from the ground, processed and delivered to the market
- ensure the health, safety and welfare of the workforce and site visitors is accorded the highest priority
- operate extractive sites in line with the best international standards for the protection of the environment
- ensure members are mindful of their social responsibilities and the need to be good neighbours in the communities in which they operate

f. Volunteers

The Institute relies heavily on its volunteer network to support its activities, from the Board of Trustees and Council through to regional Branch committees. The Branch committees provide a varied range of technical evenings and events to enable members to access relevant Continuing Professional Development (CPD) supporting their development of knowledge and skills. The Branches also provide a valuable way for members to network.

Members also provide their technical knowledge and experience in supporting the development of information, technical books, guidance and training courses enabling the Institute to deliver current and relevant support to its members and the wider industry.

g. Financial performance

Financial performance is outlined in the report below and shows the day to day operational performance of the organisation alongside the performance in relation to projects.

Achievements and performance

Main achievements of the Company

2021 was a challenging year for the Institute with the continuation of the Covid-19 pandemic which fundamentally changed the operational and volunteer activities planned for 2021. The Institute operated in line with the government regulations and guidance throughout the year. This meant the closing of the offices at Nottingham with staff working remotely from home through-out most of the year and into 2022.

As part of the work to align with the NSC a formal project group was established with a project manager to support the development of plans for the Institute. The project covered areas of activity including:

Trustees' Report (continued)
For the Year Ended 31 December 2021

Achievements and performance (continued)

- Governance – through developing an agreement with the NSC trustees to transfer control of the NSC to the Institute within the bounds of both parties Articles of Association.
- Relocation – the practical development of plans for migrating the Institutes office and team to temporary accommodation at the NSC site. This also incorporated the renting out of the Chilwell offices in Nottingham.
- The establishment of a strategy and plan to deliver a centre of excellence via a new building(s) at the NSC site to house the NSC museum, visitor centre and café but to also include capacity for a multifunctional space for events conferences, training and education for both members, industry and the public.

a. Key performance indicators

The key performance indicators for the 2021 period related to five key areas of operation;

- Operational financial stability
- Membership recruitment and retention
- Membership services
- Delivery of education and training
- Delivery of projects to support the ongoing development of the Institutes' capability to deliver services to its members and the industry

The financial report outlines the performance for the year and highlights that a surplus of £69,649 was made for 2021. This was mainly due to a downturn in investment income and lower income from higher education courses.

The membership numbers for 2021 remained broadly flat in line with previous years. Retention figures were strong at 91.7% and new members were in line with target, although target had been set at a lower rate considering the uncertainty around the pandemic.

New membership services were delivered during 2021 as planned and detailed in the report below. The Institutes' education programmes were delivered broadly in line with expectations both in the UK and internationally.

The Institute has also continued to discuss with the Presidents' from the affiliated national institutes and Branches on collaborating to deliver the Presidents' fund project and discussions around international activity. With the impact of the pandemic the international Presidents' agreed to suspend the payments for 2021 and to review again in 2022.

Trustees' Report (continued)
For the Year Ended 31 December 2021

Achievements and performance (continued)

b. Membership Services

The Institute is committed to supporting members in developing and maintaining their skills and knowledge throughout their working lives. To complement the formal educational and training available, the Institute provides a range of services to support members in sharing and accessing information in order to maintain their CPD.

2021 continued to see challenges in delivering activities for members: the Institute continued to work with Branches to deliver online technical events enabling members to engage in a range of subjects throughout the year. Many were recorded and made available online for member use on an ongoing basis.

The Institute also worked in partnership with the IAT to deliver a virtual sustainability conference in October to support members of both professions in maintaining their knowledge in this critical area. With the easing of restrictions in the second half of 2021 the Institute was able to hold its Fellows lunch and student award ceremony in October, again in partnership with the IAT.

The Institute retained its professional affiliation registration with the Engineering Council after the five year review took place in December.

Branches

The IQ Branches provide a range of technical evenings, seminars, site visits and Safety days covering a wide range of topics to support members in gaining relevant CPD. The Branch meetings also provide members with the opportunity to share best practice and discuss their experiences.

The Branch events were severely affected by the pandemic, in some cases the IQ staff worked with Branch committees to deliver technical event content in an online format covering key subjects such as health and safety and technical updates on a range of issues.

Quarry Management

'Quarry Management' has been the official monthly Journal of The Institute of Quarrying for many years. It provides timely, relevant and topical coverage of all the key issues, developments and advances in the aggregates sector. It is provided to all members as part of their subscription package and is also available on a subscription basis. In partnership with QMJ Publishing Ltd, the magazine's publishers, a mobile phone and tablet 'app' has been developed to allow members and other subscribers to read the journal in electronic format.

Throughout the pandemic the magazine continued to be produced in hard copy and sent to members to ensure they received one of the key member benefits.

Technical Handbooks and guidance

The Institute's range of handbooks for use in both education and industry is comprised of six hard copy volumes:-

- Environmental Management
- Health & Safety Law in Quarries
- Crushing and Screening
- Asphalt Production
- Sand & Gravel Production
- Use of Explosives in Quarries

Trustees' Report (continued)
For the Year Ended 31 December 2021

Achievements and performance (continued)

The Environmental Management book revision began in 2021 with the aim to deliver revised elements during 2022. In addition, the Use of Explosives in Quarries book revision was also initiated with the updated version scheduled for publication in 2022.

Work continued to revise and update the Good Practice Guide for Handling Soils in Mineral Workings ahead of its launch in early 2022. This work was carried out in partnership with Natural England and the Welsh Government, along with stakeholders from Industry.

Website

The Institute runs an extensive website which offers a range of information for public view. Apart from sections about the Institute itself, the website also includes information on:

- Meetings, conferences and events
- News and topical issues
- Feeds and links to social media, providing up-to-date comment on industry issues
- Education and training courses
- Case studies on career paths within the industry and links to other industry sources
- Useful information about quarrying and use of minerals in society

c. Education

The Institute believes education and training is a life-long process starting with initial qualifications gained at school, college or university and following to vocational training and development through attendance at conferences, seminars, training courses, competence assessment schemes, workshops, technical meetings, site visits and the updating of knowledge by reading the Institute's journals, technical and management papers and textbooks.

Academic Qualifications

The Institute has a partnership agreement with the University of Derby for the delivery of distance learning courses from Apprenticeship level 3 and foundation degrees through to full honours degree. The courses provide clear academic pathways to support individuals in gaining core technical knowledge whilst maintaining employment within the industry. This flexibility enables learners to apply their learning in real world situations. This approach has proven to deliver the skills and knowledge that are critical to operators within the sector.

Trustees' Report (continued)
For the Year Ended 31 December 2021

Achievements and performance (continued)

d. Standards

Setting Standards and guidance

The Institute plays an active role in supporting Minerals Products Qualifications Council (MPQC), the standards setting organisation, for the manufacturing and process industries. This organisation is tasked with promoting the improvement of skills within its footprint at all levels and is supported by industry, trade associations, professional bodies and trade unions.

In 2021, the Institute continued in its role as Chair of the Quarries National Joint Advisory Committee (QNJAC). QNJAC is committed to making the industry a safer place, achieved through the raising of training, standards and competence. In essence, providing essential health & safety guidance to quarries.

The Institute is also an integral member of the Strategic Forum in Health and Safety for the Mineral Products sector.

Work continued to support the health & safety agenda with the continued push out of the eliminating entrapment campaign started in 2019.

Work was also undertaken to start supporting the next campaign around pedestrian and workplace interfaces: promoting resources from other bodies, and through QNJAC, developing a new self audit tool.

During 2021 the Institute also continued its Professional Standards Committee (PSC) which is made up of volunteers from the membership and wider industry. The purpose of the committee is to review the membership criteria and education pathways ensuring they meet the needs of the profession both in the short and long term. The committee has also reviewed the approach and process for members recording CPD.

Continuing Professional Development

Fellows, Members and Technical Members of the Institute are required to undertake a minimum of 30 hours of valid CPD each year: a policy which is enforced by the Institute through random sampling. All other members are strongly encouraged to take part in the CPD programme, which is the recording of identified training and development needs as part of the process of lifelong learning. Certificates of Achievement are awarded once 100, 500, 750, 1,000, 1500 & 2000 hours of audited CPD activity have been logged.

e. Investment policy and performance

During the year, the investments made a realised profit on sales amounting to £97,426 and an unrealised profit on the value of investments amounting to £212,403.

Financial review

The Institute has two primary income streams: from membership subscriptions and from education and training activities. These are supplemented by income from investments.

The year proved very challenging due to the Covid pandemic, and the Institute made a surplus of £69,649 after gains on investments. Membership income was broadly in line with expectation and previous performance. Income from education was lower than in previous years due to several factors. Fewer learners were on the Centre for Mineral Products courses during the year due to the impact of Covid on recruitment. The funding level for the Level five Higher apprenticeship was also significantly reduced by government which impacted on the fees received by the Institute compared to previous years under its licence agreement.

Trustees' Report (continued)
For the Year Ended 31 December 2021

a. Principal risks and uncertainties

The Trustees have reviewed the principle risks for the Institute and have highlighted the following concerns:

1. Exposure to market volatility
 - a) Listed investments

At 31 December 2021, the Institute had reserves of £2,719,766 invested in a number of publicly quoted funds. The Trustees recognise that such values can fall as well as rise during the year. For this reason the Trustees ensure that risks are controlled by a wide spread of investments in different asset classes with adequate reserves being retained to provide financial stability during times when investment values have fallen.

- b) Unlisted investment

QMJ Group Ltd was founded in 1924 by the Institute, which retains a 29.55% stake in the company, currently valued at £572,786. The two organisations historically shared both office accommodation and staff and QMJ has provided a significant proportion of the Institute's income over previous decades. The Trustees accept that profits in the publishing business will fluctuate at different points in the economic cycle and adequate reserves are therefore retained in other forms of investment to counter the effect of periodic reductions in dividend income.

2. Membership subscription income

As subscriptions are often paid by the employer on behalf of an individual member, membership to the Institute is heavily reliant on the support of the major companies within the industry. Should the support of one or more of those companies be withdrawn for any reason, then the membership and subsequent subscription income would be reduced. Thus, the Trustees consider it appropriate to hold reserves against this eventuality.

3. Education and training income

Revenue from the courses run in partnership with the University of Derby realised £158,458 in 2021 and represented the largest single income stream for the Institute.

The direct delivery of IQ training in the UK and overseas represented the IQ fulfilling its remit to support the progression of development of individuals within the industry. 2021 saw training in a range of locations globally including the Middle East and Europe.

b. Material investments policy

The principles governing decisions about investments for the Institute are in accordance with the requirements of the Trustees Act 2000. The scheme assets are held in trust by the Trustees. The investment powers of the Trustees are set out in clause 3F of the Memorandum of Association and the powers granted thereby are wide. The management of the assets is performed by Investec Wealth & Investment Limited.

The Trustees have established an investment policy for the Institute's funds and within that policy have made specific provision for environmental and ethical considerations.

The Trustees do not restrict their investment manager by imposing social, environmental or ethical considerations to be taken into account in the selection, retention and realisation of investments. However, the Trustees have made their views on making socially responsible investments known to the investment managers.

The fund managers exercise, at their discretion, any voting rights attaching to the scheme's investments.

Trustees' Report (continued)
For the Year Ended 31 December 2021

c. Reserves policy

The unrestricted reserves held at 31 December 2021 amounted to £3,735,576, which includes designated funds of £151,000 in respect of the revaluation of investment property, an increase of £53,616. Income generated from unrestricted reserves are needed to cover administration and support costs and to provide funds which can be designated to specific projects. The amount of restricted reserves held at 31 December 2021 amounted to £191,069, an increase of £16,033. The total reserves held at the year-end was £3,926,645.

As a result of the review into the principal risks and uncertainties, the Trustees consider the reserves to be adequate to produce a revenue stream to maintain its ability to carry out its stated objectives. Depletion of the overall level of reserves would jeopardise the income stream and threaten the ability of the Institute to fulfil its aims and the Trustees will continue to review its policy in the context of the circumstances affecting the Institute.

d. Going concern

The Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Structure, governance and management

a. Constitution

The Institute of Quarrying is governed by its Memorandum as passed by a special resolution dated 9 October 2003 and Articles of Association as passed by special resolution dated 8th December 2015.

The principal object of the Company is 'to advance the science, practice and professionalism of quarrying through education, training and the encouragement of progressive improvements in standards of business, technical and environmental performance'.

In 2021 the Board of Trustees amended the Articles of Association to increase the number of co-opted members on the Board to three as part of its work with the NSC.

The Revisions were presented at the AGM in September of 2021 for voting by members and were unanimously accepted at the meeting.

b. Methods of appointment or election of Trustees

Trustees are elected to the Board as set out in the Articles of Association and on the basis of the experience and the contribution the individuals are able to make to the work of the Institute. Many are in senior management positions in large businesses and a high proportion of the Trustees also have experience of working on local Branch committees.

c. Policies adopted for the induction and training of Trustees

On being elected, all Trustees are issued with a detailed guidance note setting out the duties and responsibilities of a trustee of a registered charity.

Trustees' Report (continued)
For the Year Ended 31 December 2021

Structure, governance and management (continued)

d. Pay policy for key management personnel

The Institute's Trustees are responsible for the remuneration of the Chief Executive and other senior members of staff.

e. Organisational structure and decision making

The Board of Trustees normally meets quarterly to review the aims and objectives of the Institute, to review the results of the company and to discuss key strategies and plans for the ongoing and future direction of the company.

The Council of representatives supports the work of the Board of Trustees. The Council is comprised of member representatives and those interested in the activities of the Institute to express views and opinions on matters of policy, activities, strategy and professional and other matters with which the Institute is involved.

Day to day management of the Institute's affairs is delegated to the Chief Executive, who is a paid member of staff and not a Trustee of the Institute. The Trustees meets regularly with the Chief Executive and with other members of staff from time to time in order to apply sound governance to the Institute's affairs and ensure that its policies, strategies and legal and ethical duties are being discharged in accordance with its orders.

f. Related party relationships

No member of the Board of Trustees held any interest in the funds of the charity.

During the year, related party transactions occurred with:

- QMJ Publishing Limited, a company in which The Institute of Quarrying has a material interest

g. Trustees' indemnities

The Trustees have assessed the major risks to which the Institute is exposed, in particular those related to the operations and finances of the Company, and are satisfied that systems and procedures are in place to mitigate the exposure to the major risks.

In 2020, the Board established a Finance, Audit and Risk Committee, comprising of three members of the Board to have oversight of the organisational risks and investment strategies.

The Institute of Quarrying
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 December 2021

Plans for future periods

In line with the strategic pillars, a roadmap has been developed to support the progress during 2020 and the years beyond. The activities for each pillar are outlined below:

Be the global leader in standards for the mineral extraction profession

- establish IQ skills wheel as the competence and capability benchmark for professionals
- promote schemes recognising corporate commitment to best practice and commitment to maintaining CPD
- create dedicated support pathways for professionals entering the industry
- IQ standards, membership and education are recognised by all employers

Promote the positive impact of the industry and profession

- promote the IQ, industry and careers available to support securing new talent
- promote and celebrate the innovative work of members in developing the industry

Supporting the industry in driving healthy, sustainable workplaces

- work with others to support priority industry initiatives such as QNJAC and the Minerals Strategic Forum
- support members in developing core competencies in Health and Safety
- support members in developing skills and capability to deliver a sustainable industry
- support members to develop skills and capability in delivering positive environmental outcomes

Drive innovation and operational best practice

- share leading technical process innovation with members
- support members with relevant CPD opportunities
- collaborate with partners in developing leading research projects

Alongside the works against the pillars, the project to align with the NSC as detailed previously will form a core element of the Institute's work over the next five to 10 year period as it seeks to establish the site as a centre of excellence.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Dains LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

V G Russell
Chairman
Date:


6/7/22

The Institute of Quarrying
(A Company Limited by Guarantee)

Statement of Trustees' responsibilities
For the Year Ended 31 December 2021

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


Company law requires the Trustees to prepare financial statements for each financial year. 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 Company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on its behalf by:

V G Russell
Chairman
Date:


6/7/22.

Independent Auditors' Report to the Trustees of The Institute of Quarrying

Opinion

We have audited the financial statements of The Institute of Quarrying (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 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; 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

Independent Auditors' Report to the Trustees of The Institute of Quarrying (continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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; 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' exemptions in preparing the Trustees' Report and from the requirement to prepare 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.

Independent Auditors' Report to the Trustees of The Institute of Quarrying (continued)

Auditors' 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 Auditors' 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.

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the financial reporting legislation, Companies Act 2006, Charities Act 2011, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates are indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the charitable company's legal advisors.

Independent Auditors' Report to the Trustees of The Institute of Quarrying (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Hawkins (Senior Statutory Auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants
2 Etruria Office Village
Forge Lane
Stoke on Trent
Staffordshire
ST1 5RQ

Date: 6-7-22

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 December 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Charitable activities	3	243,007	-	243,007	344,992
Other trading activities	4	323,926	-	323,926	329,274
Investments	5	41,403	2,608	44,011	51,432
Total income		608,336	2,608	610,944	725,698
Expenditure on:					
Raising funds	6	30,763	872	31,635	28,903
Charitable activities	7	969,489	1,000	970,489	796,803
Total expenditure		1,000,252	1,872	1,002,124	825,706
Net gains/(losses) on investments		294,532	15,297	309,829	(273,919)
Net movement in funds before other recognised gains		(97,384)	16,033	(81,351)	(373,927)
Other recognised gains:					
Gains on revaluation of fixed assets		151,000	-	151,000	-
Net movement in funds		53,616	16,033	69,649	(373,927)
Reconciliation of funds:					
Total funds brought forward		3,681,960	175,036	3,856,996	4,230,923
Net movement in funds		53,616	16,033	69,649	(373,927)
Total funds carried forward		3,735,576	191,069	3,926,645	3,856,996

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21 to 45 form part of these financial statements.

The Institute of Quarrying
(A Company Limited by Guarantee)

Balance Sheet
As at 31 December 2021
Registered Number: 00606601


	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	-	-
Tangible assets	13	8,406	364,572
Investments	15	3,292,552	3,087,435
Investment property	14	475,000	-
		<u>3,775,958</u>	<u>3,452,007</u>
Current assets			
Stocks	16	19,882	13,541
Debtors	17	75,425	72,327
Cash at bank and in hand		295,347	621,083
		<u>390,654</u>	<u>706,951</u>
Creditors: amounts falling due within one year	18	(239,967)	(301,962)
Net current assets		<u>150,687</u>	<u>404,989</u>
Total assets less current liabilities		<u>3,926,645</u>	<u>3,856,996</u>
Total net assets		<u><u>3,926,645</u></u>	<u><u>3,856,996</u></u>
Charity funds			
Restricted funds	20	191,069	175,036
Unrestricted funds	20	3,735,576	3,681,960
Total funds		<u><u>3,926,645</u></u>	<u><u>3,856,996</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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

V G Russell
Chairman
Date:


6/7/22.

The notes on pages 21 to 45 form part of these financial statements.

Statement of Cash Flows
For the Year Ended 31 December 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	(471,377)	(29,667)
Cash flows from investing activities		
Dividends, interests and rents from investments	44,011	51,432
Proceeds from the sale of tangible fixed assets	-	10,000
Purchase of tangible fixed assets	(3,082)	(6,903)
Proceeds from sale of investments	276,118	861,607
Purchase of investments	(171,406)	(786,034)
Net cash provided by investing activities	145,641	130,102
Change in cash and cash equivalents in the year	(325,736)	100,435
Cash and cash equivalents at the beginning of the year	621,083	520,648
Cash and cash equivalents at the end of the year	295,347	621,083

The notes on pages 21 to 45 form part of these financial statements

Notes to the Financial Statements
For the Year Ended 31 December 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Going concern

The trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

1.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Notes to the Financial Statements
For the Year Ended 31 December 2021

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the Company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the Company and compliance with constitutional and statutory requirements.

Expenditure on raising funds includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.5 Research and development

Research and development is written off in the year in which it is incurred.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Notes to the Financial Statements
For the Year Ended 31 December 2021

1. Accounting policies (continued)

1.8 Intangible assets and amortisation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Computer software	- 33 % straight line
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1.9 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 2% straight Line
Motor vehicles	- 25% straight Line
Office furniture and equipment	- 10% straight Line
Computer equipment	- 33% straight Line

Notes to the Financial Statements
For the Year Ended 31 December 2021

1. Accounting policies (continued)

1.10 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

Listed investments are valued at market value at the balance sheet date.

The unlisted investment is valued at the higher of ten times the average of the net cash dividends received over the previous 4 years, excluding any unusual dividends or 29.55% of the net assets of QMJ Group Limited.

Investment Property

Investment Property is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting date. Changes in fair value are recognised in the Statement of Financial Activities.

1.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

Notes to the Financial Statements
For the Year Ended 31 December 2021

1. Accounting policies (continued)

1.15 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.16 Operating leases as lessee

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.17 Operating leases as lessor

Rental income received from investment properties are charged to the Statement of Financial Activities over the agreed contract period.

1.18 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

1.19 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Notes to the Financial Statements
For the Year Ended 31 December 2021

2. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Valuation of Unlisted Investments

The unlisted investment is valued at the higher of ten times the average of the net cash dividends received over the previous 4 years, excluding any unusual dividends or 29.55% of the net assets of QMJ Group Limited.

Valuation of Investment Property

The investment property value has been arrived at on the basis of a valuation carried out by Savills UK Limited, an estate agency and will be reviewed annually by the Trustees.

Bad and doubtful debts

The Trustees have estimated a bad and doubtful debt provision on the basis of their judgment that trade debtors are not recoverable or uncertain.

3. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
Quarry degree, diploma and other course fees	198,080	198,080
Blended training/online CPD	23,947	23,947
Conferences and events	6,473	6,473
Other charitable activities	250	250
Stock sales	14,257	14,257
	<u>243,007</u>	<u>243,007</u>

Notes to the Financial Statements
For the Year Ended 31 December 2021

3. Income from charitable activities (continued)

	Unrestricted funds 2020 £	Total funds 2020 £
Quarry degree, diploma and other course fees	292,563	292,563
Blended training/online CPD	29,706	29,706
Stock sales	22,723	22,723
	<u>344,992</u>	<u>344,992</u>

4. Member subscriptions and entrance fees

	Unrestricted funds 2021 £	Total funds 2021 £
UK Members	<u>323,926</u>	<u>323,926</u>

	Unrestricted funds 2020 £	Total funds 2020 £
UK Members	<u>329,274</u>	<u>329,274</u>

5. Investment income

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Income from listed investments	41,370	2,607	43,977
Bank interest	33	1	34
	<u>41,403</u>	<u>2,608</u>	<u>44,011</u>

Notes to the Financial Statements
For the Year Ended 31 December 2021

5. Investment income (continued)

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Income from listed investments	47,389	3,861	51,250
Bank interest	173	9	182
	<u>47,562</u>	<u>3,870</u>	<u>51,432</u>

6. Investment management costs

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Investment management fees	12,880	872	13,752
Overheads	4,062	-	4,062
Wages and salaries	11,224	-	11,224
National insurance	1,101	-	1,101
Pension	826	-	826
Depreciation and loss on sale	670	-	670
	<u>30,763</u>	<u>872</u>	<u>31,635</u>

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Investment management fees	12,000	693	12,693
Overheads	3,317	-	3,317
Wages and salaries	10,361	-	10,361
National insurance	1,053	-	1,053
Pension	702	-	702
Depreciation and loss on sale	777	-	777
	<u>28,210</u>	<u>693</u>	<u>28,903</u>

Notes to the Financial Statements
For the Year Ended 31 December 2021

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Membership and branches	318,083	-	318,083
Education	234,227	-	234,227
Institute activities	391,372	-	391,372
Branch business activities	17,884	1,000	18,884
Governance	7,923	-	7,923
	<u>969,489</u>	<u>1,000</u>	<u>970,489</u>

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Membership and branches	304,203	-	304,203
Education	211,952	-	211,952
Institute activities	259,161	-	259,161
Branch business activities	16,210	1,000	17,210
Governance	4,277	-	4,277
	<u>795,803</u>	<u>1,000</u>	<u>796,803</u>

Notes to the Financial Statements
For the Year Ended 31 December 2021

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Membership and branches	31,951	286,132	318,083
Education	19,630	214,597	234,227
Institute activities	204,094	187,278	391,372
Branch business activities	1,000	17,884	18,884
Governance	-	7,923	7,923
	<u>256,675</u>	<u>713,814</u>	<u>970,489</u>

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Membership and branches	44,861	259,342	304,203
Education	17,447	194,505	211,952
Institute activities	103,219	155,942	259,161
Branch business activities	1,000	16,210	17,210
Governance	-	4,277	4,277
	<u>166,527</u>	<u>630,276</u>	<u>796,803</u>

Notes to the Financial Statements
For the Year Ended 31 December 2021

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Membership and branches 2021 £	Education 2021 £	Institute activities 2021 £	Branch business activities 2021 £
Staff costs	210,413	157,810	131,509	13,151
Depreciation	10,720	8,040	6,700	670
Computer software	20,699	15,524	12,937	1,294
Office overheads	6,908	5,181	4,318	432
Cleaning and repairs	4,776	3,582	2,985	299
Printing, postage and stationery	6,598	4,949	4,124	412
Sundry costs	2,047	1,533	1,274	128
Legal and professional	536	402	335	33
Marketing and PR	18,112	13,584	11,320	1,132
Travel and Subsistence	2,929	2,197	1,831	183
Other staff costs	2,394	1,795	1,496	150
Loss on sale assets	-	-	8,449	-
	<u>286,132</u>	<u>214,597</u>	<u>187,278</u>	<u>17,884</u>

	Governance 2021 £	Total funds 2021 £
Staff costs	-	512,883
Depreciation and loss on sale	-	26,130
Computer software	-	50,454
Office overheads	-	16,839
Cleaning and repairs	-	11,642
Printing, postage and stationery	-	16,083
Sundry costs	-	4,982
Legal and professional	4,100	5,406
Marketing and PR	-	44,148
Travel and subsistence	3,823	10,963
Other staff costs	-	5,835
Loss on sale of assets	-	8,449
	<u>7,923</u>	<u>713,814</u>

Notes to the Financial Statements
For the Year Ended 31 December 2021

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Membership and branches 2020 £	Education 2020 £	Institute activities 2020 £	Branch business activities 2020 £
Staff costs	193,851	145,388	121,156	12,116
Depreciation	12,428	9,321	1,622	777
Computer software	22,361	16,771	13,975	1,398
Office overheads	7,042	5,281	4,401	440
Cleaning and repairs	3,417	2,563	2,135	214
Printing, postage and stationery	4,991	3,743	3,120	312
Sundry costs	1,726	1,294	1,078	108
Legal and professional	699	524	437	44
Marketing and PR	7,061	5,296	4,413	441
Travel and Subsistence	3,732	2,799	2,334	233
Other staff costs	2,034	1,525	1,271	127
	<u>259,342</u>	<u>194,505</u>	<u>155,942</u>	<u>16,210</u>

	Governance 2020 £	Total funds 2020 £
Staff costs	-	472,511
Depreciation	-	24,148
Computer software	-	54,505
Office overheads	-	17,164
Cleaning and repairs	-	8,329
Printing, postage and stationery	-	12,166
Sundry costs	-	4,206
Legal and professional	3,750	5,454
Marketing and PR	-	17,211
Travel and subsistence	527	9,625
Other staff costs	-	4,957
	<u>4,277</u>	<u>630,276</u>

Notes to the Financial Statements
For the Year Ended 31 December 2021

9. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	4,000	4,000

10. Staff costs

	2021 £	2020 £
Wages and salaries	448,962	413,094
Social security costs	46,804	40,879
Contribution to defined contribution pension schemes	30,267	30,654
	526,033	484,627

The average number of persons employed by the Company during the year was as follows:

	2021 No.	2020 No.
Administration	10	11

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	2020 No.
In the band £70,001 - £80,000	2	2
In the band £100,001 - £110,000	1	1

The total amount of employee benefits (including employer pension contributions) received by Trustees and key management personnel for their services was £305,757 (2020 - £312,469).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, expenses totalling £243 were reimbursed or paid directly to one Trustee (2020 - £NIL to no trustees). The nature of these expenses was travel costs.

Notes to the Financial Statements
For the Year Ended 31 December 2021

12. Intangible assets

	Computer software £
Cost	
At 1 January 2021	53,835
At 31 December 2021	<u>53,835</u>
Amortisation	
At 1 January 2021	53,835
At 31 December 2021	<u>53,835</u>
Net book value	
At 31 December 2021	<u>-</u>
At 31 December 2020	<u>-</u>

Notes to the Financial Statements
For the Year Ended 31 December 2021

13. Tangible fixed assets

	Freehold property £	Office furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2021	400,000	140,898	17,599	558,497
Additions	-	-	3,082	3,082
Disposals	-	(128,912)	-	(128,912)
Transfers between classes	(400,000)	-	-	(400,000)
At 31 December 2021	-	11,986	20,681	32,667
Depreciation				
At 1 January 2021	68,000	116,594	9,331	193,925
Charge for the year	8,000	13,942	4,857	26,799
On disposals	-	(120,463)	-	(120,463)
Transfers between classes	(76,000)	-	-	(76,000)
At 31 December 2021	-	10,073	14,188	24,261
Net book value				
At 31 December 2021	-	1,913	6,493	8,406
At 31 December 2020	332,000	24,304	8,268	364,572

14. Investment property

	Freehold investment property £
Valuation	
Transfers between classes	475,000
At 31 December 2021	475,000

The fair value of the property at has been arrived at on the basis of a valuation carried out by Savills UK Limited, an estate agency, who are professionally qualified valuers.

Notes to the Financial Statements
For the Year Ended 31 December 2021

15. Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2021	2,510,744	576,691	3,087,435
Additions	171,406	-	171,406
Disposals	(178,692)	-	(178,692)
Revaluations	216,308	(3,905)	212,403
At 31 December 2021	<u>2,719,766</u>	<u>572,786</u>	<u>3,292,552</u>
Net book value			
At 31 December 2021	<u>2,719,766</u>	<u>572,786</u>	<u>3,292,552</u>
At 31 December 2020	<u>2,510,744</u>	<u>576,691</u>	<u>3,087,435</u>

The gain on disposal of fixed assets investments during the year was £97,426 (2020: £215,791).

Valuation

The unlisted investment consists of 17,730 fully paid shares of £1 each in QMJ Group Limited, a company registered in England and Wales, representing 29.55% of the issued shares with voting rights.

The unlisted investment is valued at the higher of ten times the average of the net cash dividends received over the previous 4 years, excluding any unusual dividends or 29.55% of the net assets of QMJ Group Limited.

Dividends received of £nil (2020: £nil) have been included in revenue from this investment.

16. Stocks

	2021 £	2020 £
Ties, medals etc	8,819	4,798
Technical handbooks	11,063	8,743
	<u>19,882</u>	<u>13,541</u>

Notes to the Financial Statements
For the Year Ended 31 December 2021

17. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	15,781	7,954
Other debtors	37,303	6,504
Prepayments and accrued income	22,341	57,869
	<u>75,425</u>	<u>72,327</u>

18. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	31,152	37,093
Other taxation and social security	14,082	10,819
Other creditors	23,554	27,366
Accruals and deferred income	171,179	226,684
	<u>239,967</u>	<u>301,962</u>

	2021 £	2020 £
Deferred income at 1 January	129,799	74,566
Resources deferred during the year	62,327	129,799
Amounts released from previous periods	(129,799)	(74,566)
	<u>62,327</u>	<u>129,799</u>

Deferred income relates to members subscriptions and entrance fees paid in advance along with income received for courses which have not yet occurred.

Notes to the Financial Statements
For the Year Ended 31 December 2021

19. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at amortised cost	<u>348,431</u>	<u>635,541</u>
	2021 £	2020 £
Financial liabilities		
Financial liabilities measured at amortised cost	<u>163,558</u>	<u>161,344</u>

Financial assets measured at amortised cost include cash, trade debtors and other debtors.

Financial liabilities measured at amortised cost include trade creditors, other creditors and accruals.

Notes to the Financial Statements
For the Year Ended 31 December 2021

20. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds					
Designated funds					
Revaluation reserve	-	-	-	151,000	151,000
General funds					
General Funds	3,681,960	608,336	(1,000,252)	294,532	3,584,576
Total Unrestricted funds	3,681,960	608,336	(1,000,252)	445,532	3,735,576
Restricted funds					
Preston	15,173	267	(289)	137	15,288
Coles	8,639	151	(251)	78	8,617
McPherson	64,179	1,022	(542)	526	65,185
Nordberg	29,418	460	(154)	237	29,961
Goodwin Barsby	4,377	84	(228)	43	4,276
Rushton Bucyris	11,828	185	(62)	95	12,046
Marston	10,227	159	(53)	82	10,415
Clugston	5,564	87	(29)	45	5,667
Eric McNaught	11,785	193	(264)	100	11,814
Trust Capital	13,846	-	-	13,954	27,800
	175,036	2,608	(1,872)	15,297	191,069
Total of funds	3,856,996	610,944	(1,002,124)	460,829	3,926,645

Notes to the Financial Statements
For the Year Ended 31 December 2021

20. Statement of funds (continued)

The specific purposes for which the funds are to be applied are as follows:

Preston - Best student award: Diploma
Coles - Best student award: Foundation Degree
McPherson - Awarded to fund a high profile lecture
Nordberg - Awarded for an R&D project or Study Tour on an international basis
Goodwin Barsby - Best student - Hons Degree
Rushton Bucyrus - To fund the administration of an annual student award
Ransomes & Rapier - Best Higher Apprentice
Marston - Awarded to the best paper delivered to a branch meeting
Clugston - Awarded for an R&D project or Study Tour on a international basis
Eric McNaught - Awarded by the Scottish branch to the Scottish branch member with the most marks
Trust Capital- Awarded at the discretion of Trustees to students who have made achievements to be celebrated that are not recognised by other specific awards

Notes to the Financial Statements
For the Year Ended 31 December 2021

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds						
General Funds	4,055,953	721,828	(824,013)	-	(271,808)	3,681,960
Restricted funds						
Preston	13,977	395	(271)	-	1,072	15,173
Coles	8,046	224	(240)	-	609	8,639
McPherson	59,015	1,497	(268)	(132)	4,067	64,179
Nordberg	27,000	683	(122)	-	1,857	29,418
Goodwin Barsby	4,138	124	(222)	-	337	4,377
Rushton Bucyris	10,856	275	(49)	-	746	11,828
Ransomes & Rapier	-	19	(204)	132	53	-
Marston	9,392	236	(42)	-	641	10,227
Clugston	5,109	129	(23)	-	349	5,564
Eric McNaught	10,967	288	(252)	-	782	11,785
Trust Capital	26,470	-	-	-	(12,624)	13,846
	174,970	3,870	(1,693)	-	(2,111)	175,036
Total of funds	4,230,923	725,698	(825,706)	-	(273,919)	3,856,996

Notes to the Financial Statements
For the Year Ended 31 December 2021

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	8,406	-	8,406
Fixed asset investments	3,117,699	174,853	3,292,552
Investment property	475,000	-	475,000
Current assets	374,438	16,216	390,654
Creditors due within one year	(239,967)	-	(239,967)
Total	3,735,576	191,069	3,926,645

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	364,572	-	364,572
Fixed asset investments	2,927,649	159,786	3,087,435
Current assets	691,701	15,250	706,951
Creditors due within one year	(301,962)	-	(301,962)
Total	3,681,960	175,036	3,856,996

Notes to the Financial Statements
For the Year Ended 31 December 2021

22. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(81,351)	(373,927)
Adjustments for:		
Depreciation charges	26,799	29,569
Amortisation charges	-	1,500
(Gains)/Losses on investments	(309,829)	273,919
Dividends, interest and rents from investments	(44,011)	(51,432)
Loss/(profit) on the sale of fixed assets	8,449	(6,144)
(increase)/Decrease in stocks	(6,341)	15,695
(increase)/Decrease in debtors	(3,098)	42,607
(Decrease)/Increase in creditors	(61,995)	38,546
Net cash used in operating activities	(471,377)	(29,667)

23. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	295,347	621,083
Total cash and cash equivalents	295,347	621,083

24. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	621,083	(325,736)	295,347
	621,083	(325,736)	295,347

Notes to the Financial Statements
For the Year Ended 31 December 2021

25. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £30,267 (2020: £30,654). Contributions totaling £4,353 (2020: £3,678) were payable to the fund at the balance sheet date and are included in creditors.

26. Operating lease commitments

At 31 December 2021 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Operating leases as a lessee		
Not later than 1 year	7,270	7,270
Later than 1 year and not later than 5 years	1,212	8,482
	<u>8,482</u>	<u>15,752</u>

At 31 December 2021 the Company had future minimum lease payments receivable under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Operating leases as a lessor		
Not later than 1 year	38,500	-
Later than 1 year and not later than 5 years	77,000	-
	<u>115,500</u>	<u>-</u>

27. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

Notes to the Financial Statements
For the Year Ended 31 December 2021

28. Related party transactions

During the period the company made purchases of £38,546 (2020: £27,583) and generated income of £nil (2020: £125) from The QMJ Group Limited, a related company in which The Institute of Quarrying has a material interest. All transactions occurred on an arms length basis. As the period end, a balance of £2,083 (2020: £1,743) was due to The QMJ Group Limited.

Funds held as agent or custodian trustee

During the year, the company received £nil (2020: £nil) and paid out £nil (2020: £1,924) on behalf of QNJAC. At the balance sheet date £nil (2020: £nil) was held on behalf of QNJAC.

During the year, the company received £1,120 (2020: £nil) and paid out £1,121 (2020: £2,168) on behalf of the Derbyshire Branch. At the balance sheet date £1 (2020: £nil) was held on behalf of the Derbyshire Branch.

During the year, the company received £2,260 (2020: £2,400) and paid out £2,260 (2020: £1,730) on behalf of the Devon and Cornwall Branch. At the balance sheet date £nil (2020: £nil) was due from the Devon and Cornwall Branch.

During the year, the company received £nil (2020: £4,000) and paid out £nil (2020: £4,000) on behalf of the Lancashire Branch. At the balance sheet date £nil (2020: £nil) was held on behalf of the Lancashire Branch.

During the year, the company received £660 (2020: £2,320) and paid out £620 (2020: £2,858) on behalf of the North Wales Branch. At the balance sheet date £257 (2020: £217) was held on behalf of the North Wales Branch.

During the year, the company received £nil (2020: £nil) and paid out £nil (2020: £nil) on behalf of the South Wales Branch. At the balance sheet date £nil (2020: £nil) was held on behalf of the South Wales Branch.

During the year, the company received £nil (2020: £nil) and paid out £nil (2020: £677) on behalf of the Yorkshire Branch. At the balance sheet date £nil (2020: £nil) was held on behalf of the Yorkshire Branch.

During the year, the company received £nil (2020: £nil) and paid out £nil (2020: £nil) on behalf of the Midlands Branch. At the balance sheet date £417 (2020: £417) was held on behalf of the Midlands Branch.

During the year, the company received £nil (2020: £nil) and paid out £nil (2020: £nil) on behalf of the Scottish Branch. At the balance sheet date £354 (2020: £354) was due from the Scottish Branch.

During the year, the company received £nil (2020: £500) and paid out £nil (2020: £2,500) on behalf of the London & Home Counties Branch. At the balance sheet date £nil (2020: £nil) was due to the London & Home Counties Branch

29. Post balance sheet events

A merger agreement with the National Stone Centre was signed on the 25 January 2022.