

REGISTERED COMPANY NUMBER: 00969051 (England and Wales)
REGISTERED CHARITY NUMBER: 260666

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
THE BRITISH INSTITUTE OF NON-DESTRUCTIVE
TESTING LIMITED**

	Page
Report of the Trustees	1 to 27
Report of the Independent Auditors	28 to 31
Statement of Financial Activities	32
Statement of Financial Position	33 to 34
Statement of Cash Flows	35
Notes to the Statement of Cash Flows	36
Notes to the Financial Statements	37 to 47
Detailed Statement of Financial Activities	48 to 49

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 31 December 2021. The trustees have adopted the provisions of 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 (FRS 102) (effective 1 January 2019).

BINDT Mission and Mission Scope

This is encapsulated in BINDT's 'charitable objects', which are listed in the BINDT Articles of Association, the principal one of which is:

To promote the advancement of the science and practice of non-destructive testing, condition monitoring, diagnostic engineering and all other associated materials and quality testing disciplines.

What is immediately clear from the mission is that BINDT is relatively unconstrained: the mission goes beyond the engineering discipline of NDT and does not apply only to the UK.

Regarding engineering disciplines, BINDT has taken a position whereat it sees NDT, CM and Structural Health Monitoring (SHM), or perhaps 'Health Monitoring' per se, as three sides of the same thing.

In other words, whereas BINDT aims to provide a 'platform for leadership' and to provide 'education and professional development' products and services to its stakeholders, those stakeholders primarily (but not exclusively) identify themselves with the engineering disciplines of NDT, CM and SHM. Therefore, the term 'NDT' should generally be taken to mean 'NDT, CM, SHM, diagnostic engineering and all other associated materials and quality testing disciplines'.

Regarding internationality, at the time of writing, over 50% of BINDT's income is derived from products and services provided overseas, or to people or organisations based overseas, either directly or through BINDT's partners such as Authorised Qualification Bodies (AQBs).

Public Benefit

As a UK Registered Charity, BINDT must demonstrably provide a benefit to the public: again, not constrained to UK-based public.

The benefits to the public can be summarised as follows:

Facilitating the education and professional development of people in NDT results in:

- Safer plant and equipment.
- More reliable plant and equipment, and improved environmental impact.
- Growth, in economic terms.

BINDT Propositions and Capabilities

BINDT's 'structure for growth', implemented in 2015, is based around BINDT's 12 propositions and capabilities and is summarised in BINDT's Bye-law No.2. The 12 propositions and capabilities are as follows (noting that the 8 propositions through which products and services are provided to customers are *italicised*):

- Marketing and Public Relations
- *Awards and Recognition*
- *Branch Meetings*
- *Certification*
- *Conferences and Events*
- *Education and Professional Development (including the development of apprenticeship schemes)*
- *Membership (of BINDT)*
- *Publications and Media*
- *Registration (of engineers and technicians with the Engineering Council)*
- IT

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

- Establishment (people, facilities and premises)
- Partnerships (with organisations that enhance BINDT's capabilities)

These can be considered to be the 12 things at which BINDT aims to be world class.

Increasingly, BINDT products and services should and will be delivered in bundles. For example, a person undertaking one of the Non-Destructive Testing apprenticeship schemes may engage with all of the following BINDT propositions during the process:

- Certification
- Membership
- Registration
- Education and Professional Development (with respect to end point assessment)
- Awards and Recognition (as we will recognise/award outstanding apprentices)

BINDT's Value Proposition

The reasons, based on a survey of members, that people and organisations choose to engage with BINDT can be summarised as follows:

- Professional Recognition:
 - For individuals, this includes:
 - Membership Certificate (demonstrating commitment).
 - Access to engineer registration through the Engineering Council (demonstrating competence).
 - Use of post-nominal letters.
 - Access to BINDT's Education and Professional Development (EPD) facility – complementing/enhancing BINDT's Certification proposition.
 - Access to BINDT recognition and awards.
 - For organisations, this includes:
 - Membership Certificate (demonstrating commitment).
 - Use of logo on stationery.
 - Identification as part of a well-respected cohort.
 - Access to BINDT recognition and rewards.
- Business Benefits:
 - For individuals and organisations, this includes:
 - Networking.
 - Professional Indemnity Insurance referral.
 - Legal helpline.
- Information Exchange:
 - For individuals, this includes:
 - Insight, NDT News, IJCM and Condition Monitor.
 - Yearbook and Branch Booklet.
 - Conferences, symposia, seminars, workshops.
 - Members' area on website.
 - Branch meetings.
 - For organisations, this includes:
 - Exhibitions.
 - Entry in the Yearbook.
- Leadership:
 - For individuals, this includes:
 - Participation in the governance of BINDT.
 - Participation in the work of BINDT (committees/work groups).
 - Personal professional development arising from participation.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

- For organisations, this includes:
 - Influence the governance of BINDT
 - Influence the work of BINDT.
 - Outlet for 'Thought Leadership' - improve standing in the marketplace.
- Discounts:
 - For individuals, this includes:
 - Conferences.
 - Books.
 - For organisations, this includes exhibitions.

The above list outlines the value of engaging with BINDT through its Membership proposition, which can be considered a proxy for the value of engaging with any one or combination of BINDT's propositions.

It is perhaps worth articulating the high-level value proposition for any individual or organisation engaging with BINDT in any way. That is:

- Individuals engage with BINDT in order to develop professionally (i.e. to create, maintain and demonstrate their proficiency) which may include developing their leadership skills by getting involved in the governance of BINDT.
- Organisations engage with BINDT because BINDT's pursuit of its mission results in more or better business for them, directly or indirectly, especially over the longer-term, and especially if the respective organisation chooses to proactively influence developments by enabling their employees to get involved in the governance of BINDT.

BINDT's Vision

Broadly, BINDT aspires to:

- Significantly increase **engagement**.
- Demonstrably increase **diversity** across the board resulting in 'flatter' engagement profiles, and proportionately increase engagement with:
 - Under-represented cohorts such as 'practitioners', 'end-users', regulators, insurers and other 'policy-makers'.
 - Women and other people from (what in the UK are considered) ethnic minorities.
 - People in the Condition Monitoring and 'Health Monitoring' communities.
- Continuously improve service, quality and technical **standards**.
- Control risk (financial, reputational, health & safety and environmental) and thereby maintain BINDT's **sustainability**.

The means to these ends include:

- Demonstrable and universally recognised impartiality (minimal unconscious bias).
- Understanding our stakeholders' perceptions of us and our 8 propositions.
- Having a reliable means for determining our engagement profiles.
- Compelling propositions that clearly add value and are easy to engage with.
- Able to identify all of our stakeholders and how they engage with us.
- Able to communicate with our stakeholders in specific targeted cohorts.
- Suitably qualified and experienced personnel (SQEP): secretariat and governance.
- High degree of employee engagement.
- Sufficient 'operational' staff and facilities to deliver goods and services.
- Make a reasonable 'operating surplus' each year.
- Sustainably re-invest 'excess' surplus funds in 'projects' (as per the strategic plan).
- Sufficient 'projects' staff, other resources and facilities to make reasonable progress on 'projects'.
- Premises at Midsummer House, Northampton.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

- An effective and comprehensive Business Management System.
- Leadership and significant influence in the European Federation of Non-Destructive Testing (EFNDT) and the International Committee for Non-Destructive Testing (ICNDT).
- Partnerships with similar organisations in the UK and overseas.

BINDT Structure, Governance and Management

BINDT is structured around its 12 propositions and capabilities, thereby putting the beneficiaries (the public, BINDT Members and other stakeholders) at the heart of the structure.

The secretariat is organised around four operating departments (Publishing, Media & Marketing; Conferences and Events; Certification; Membership and Registration) supported by a number of 'overhead' functions such as accounts, facilities management, quality control, etc. (See Figure 1). It is led by a Chief Executive Officer and a group of senior staff, known collectively as the Staff Executive, who have responsibility for the day-to-day running of the Institute.

Operations and execution of the strategic plan are overseen by committees of volunteers/members.

The Staff Executive and the oversight committees report to a Council of volunteer/member Trustees/Directors. Council has overall responsibility for the governance, leadership and management of the Institute.

BINDT's Council also has a number of additional specific committees that report to it such as the Governance Advisory Committee.

New members of Council (i.e. new trustees) undergo an induction process to brief them on their legal responsibilities, etc.

The Institute is controlled by its governing document, its Articles of Association, and a series of bye-laws. BINDT is a limited company, as well as a UK-registered charity, limited by guarantee as defined by the Companies Act 2006.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

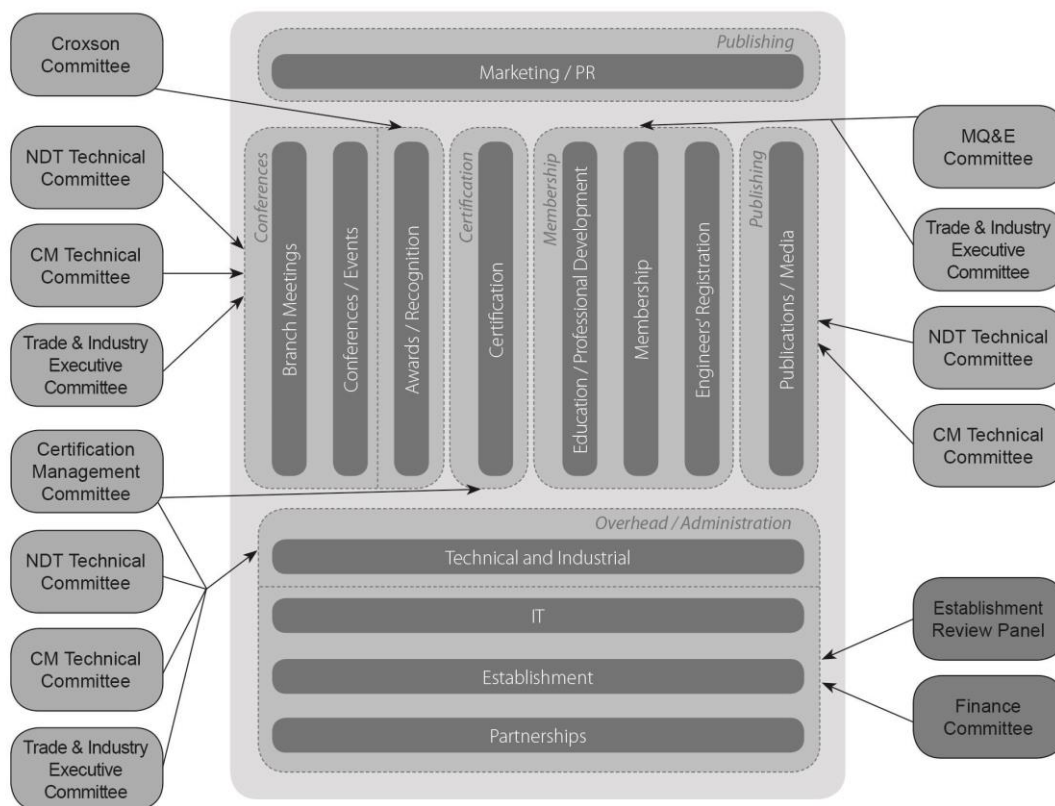


Figure 1. The Institute's eight propositions showing committee oversight

More information can be found on BINDT's web site at: <http://www.bindt.org/about-us/Institute-Organisation>

Appointment of trustees/directors

Extract from Articles of Association (Rev 10 September 2020)

31. The Institute may by ordinary resolution:

- (1) appoint a person who is willing to be a director; and
- (2) determine the rotation in which any additional directors are to retire.

32. Not less than three calendar months prior to the Annual General Meeting in each year the Institute's Council shall send to each member entitled to vote a list of Directors who are due to retire at the end of the year and who are eligible or ineligible (as the case may be) for re-election together with a list of other members eligible to be appointed a director, if any, nominated by them for election to the Institute's Council (Board of Directors).

33. After the issue of the Council's list referred to in paragraph 32 and not later than three weeks after such notification, any three members who are entitled to vote at all Ordinary Meetings, Annual General Meetings and Extraordinary General Meetings of the Institute may nominate any other duly qualified person to fill any such vacancy other than that of President, President-Elect, Vice-President, Hon Treasurer or Hon Secretary who shall be nominated by the Council only, by delivering such nomination in writing to the Council together with the written consent of the nominee to accept office if elected.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

34.

- (1) The directors may appoint a person who is willing to be a director to fill any vacancy arising.
- (2) A director appointed by a resolution of the other directors must retire at the next annual general meeting and must not be taken into account in determining the directors who are to retire by rotation.

35. When a person is elected by a branch of the Institute at the branch AGM to represent that branch on the Council, the elected representative shall, if they are not already a director, automatically be appointed a director of the Institute for the duration of their period of office representing the branch. A director appointed in this way becomes a full voting member of Council. Such representatives are to be elected in accordance with the Institute's Bye-Laws in force from time to time. It is, however, not compulsory for a branch AGM to include the election of a representative to Council.

36. When a person is elected chair of any one of the 5 committees identified below at 36(i)-(v), the committee chair shall, if they are not already a director, automatically be appointed a director of the Institute for the duration of their chairmanship of the committee. A director appointed in this way becomes a full voting member of Council. Such chairpersons are to be elected by their committee in accordance with the secret ballot method as outlined in the Institute's Bye-Laws in force from time to time. The selected committees for the purpose of this article 36 are as follows:

- i. the Membership, Qualification & Education Committee;
- ii. the NDT Technical Committee;
- iii. the CM Technical Committee;
- iv. the Certification Management Committee; and
- v. the Industry Group Executive Committee.

37. The appointment of a director, whether by the Institute in general meeting or by the other directors, must not cause the number of directors to exceed any number fixed as the maximum number of directors.

Arrangements for setting pay and remuneration of key management personnel

Extract from Bye-Law No. 2 (Rev 16 September 2019)

1. Finance Committee and Establishment Review Panel (ERP)
- 1.1 The composition of the Finance Committee shall be:

President
President-Elect
Immediate Past-President
Honorary Secretary
Honorary Treasurer
Institute CEO

Head of Finance & Planning (non-voting)
PA to the CEO (minute secretary – non-voting)
Representative from Institute's Accountants (non-voting)

The members of the Finance Committee, excluding the representative from the Institute's Accountant, also form the **Establishment Review Panel (ERP)** which has responsibility for reviewing and agreeing any and all material changes in:

- 1.5.1 Staff headcount and/or number of full time equivalents (FTEs)
- 1.5.2 Staff salaries, bonus payments, pension and other employment benefits
- 1.5.3 Staff organisation chart
- 1.5.4 Institute's premises and/or facilities
- 1.5.5 Insurance cover
- 1.5.6 Operational matters
- 1.5.7 Review of partnerships
- 1.5.8 Other matters as required

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

Note: In the event where discussions are about the CEO or are in some way materially connected to the CEO, the CEO will leave the meeting until such time as the discussions have been concluded.

The CEO conducts regular performance reviews of the Heads of Departments and senior staff that comprise the Staff Executive:

Head of Events & Awards
Head of Finance & Planning
Head of Membership & Registration
Head of Publishing, Media & Marketing
Certification Manager
Technical Manager (Senior Technical Engineer)

The reviews are based on an established Performance and Talent Management protocol. The CEO makes salary recommendations to ERP based on the results of these reviews.

Business Risk Management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in-place to provide reasonable assurance against fraud and error.

The trustees have a risk management strategy, which comprises:

- Regular reviews of the risks that the Institute may face.
- Establishing systems and procedures to mitigate risks and minimise the potential impact on the Institute should those risks materialise.
- Documenting those risks, systems, procedures, etc. in a suite of documents that includes a health and safety risk profile, a Risk Assessment and 'Disaster' Recovery Plan and a document covering threats to impartiality.
- Continuously improving the Institute's insurance cover.
- Oversight and/or audit by external bodies to certify compliance with relevant regulations and standards.

Diversity and Inclusion

A Diversity and Inclusion Advisory Group provides guidance to BINDT Council and other committees on how to fulfil BINDT's commitment under the Royal Academy of Engineering's Engineering Diversity Concordat to which BINDT is a signatory.

BINDT has strengthened its links with various bodies, networks and initiatives including the Royal Academy of Engineering, The Engineering Council, the WISE Campaign, the Women's Engineering Society, STEMNET and InterEngineering. Although BINDT is a relatively small Professional Engineering Institute (PEI), it is participating in relevant initiatives alongside the largest PEIs.

Through various media, BINDT continues to influence its stakeholders to adopt BINDT's position that NDT, Condition Monitoring (CM) and Structural Health Monitoring (SHM) – or Health Monitoring per se – are three sides of the same thing, which is an element of BINDT's diversity and inclusion practice.

In recent years, the BINDT membership proposition has been adapted so as to become more inclusive to help ensure that a diversity and inclusion mind-set will prevail in all that we do, including NDT Apprenticeships, Engineering Council Registration, the work of the Practitioner Committee and awards and recognition, to name just a few examples.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

Marketing and public relations

The marketing team continues to work to promote the Institute, and NDT, CM and SHM in general, in a number of ways. In particular, the team provides appropriate support, and aims to apply consistency of format and message, to all areas of the Institute's business and endeavours to solicit and implement ideas and requirements from the various committees.

A member of the marketing team continues to attend the meetings of all main committees, and those of a number of sub-committees, working groups and advisory groups, to provide marketing support directly, allowing for effective planning and resourcing. Oversight of the marketing strategy and activities undertaken is the responsibility of Council.

As a direct result of the continuing restrictions in place during the COVID-19 pandemic, some planned marketing activities were temporarily interrupted, for example due to the cancellation of physical events. However, the team continued to successfully deliver its digital activities and worldwide engagement through its various channels was seen to increase.

The vacancy for a Marketing & PR Assistant was filled during 2021 and a period of training for the new member of staff was undertaken.

Some of the highlights of the year's marketing and PR activities include:

- A series of direct communications and press releases were circulated in relation to the EU Pressure Equipment Directive and its impact on PCN certification.
- Editorial articles relating to NDT/CM and BINDT were written in-house and circulated. In addition to the series of general announcements about BINDT events, the following articles were circulated and published:
 - *'BINDT appoints chair of new leadership forum'* was published in NDT News and three external online publications in January 2021.
 - *'New title from BINDT: An Introduction to Condition Monitoring and Diagnostic Technologies – available now!'* was published in NDT News and five external publications in February 2021.
 - *'PCN certification meets requirements of EU Pressure Equipment Directive (PED)'* was published in NDT News and three external publications in March 2021.
 - *'Condition Monitoring: Developing a strategy for the future'* was published in Industrial Plant & Equipment's Maintenance Management Guide, 2021/2022 edition.
 - *'Non-Destructive Technology: a resilient and sustainable career choice for the future'* was published in the 2021/2022 edition of the Apprenticeship Guide.
- Engineering Council registration literature, forms, guidance notes and web pages were updated in line with the release of the Engineering Council's UK-SPEC 4th Edition and advertising of professional engineering registration opportunities through BINDT continued via all available media.
- The campaign to encourage PCN certificate holders to consider joining BINDT through a membership leaflet being mailed out with PCN certificates was temporarily halted due to remote working and the pressures on staff to get certificates mailed out in a limited timeframe. However, appropriate messages continue to be shared via our social media channels and the campaign will restart when a full physical office presence is reestablished.
- Promotion of Institute events continued, particularly the NDT 2021 Conference* and MT 2021 Exhibition* (replaced with the NDT 2021 Webinar Week), CM 2021 Conference, Aerospace Event and Workshop 2021, Workshop on Multicopters for Inspection, Workshop on NDT/SHM/CM and Structural Integrity Requirements for Industry 4.0*, Workshop on Marine Composites Inspection, Workshop on NDT/CM/SHM Requirements for Civil Infrastructure 2022, Analysing Art 2021 Conference* and the Scottish Branch's Reliability of NDT Webinar and Burns' Supper.

**Postponed to 2022 and announcements prepared and circulated.*

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

- Branch meetings continued to be widely promoted via the BINDT website, Branch Meetings booklet, NDT News, regular direct emails to Institute members and through the Institute's social media channels.
- Promotion of the NDT apprenticeship schemes continued, with the production of further advertising material and supporting documentation and internal and external advertising placed in print and online. Digital content was also created to promote graduate apprenticeships in Scotland and direct communications were circulated to appropriate companies and individuals.
- Promotion of BINDT books continued and advertising materials and press releases were rolled out for the new title: 'An Introduction to Condition Monitoring and Diagnostic Technologies', which was published and launched in January 2021.
- The Institute's internet and social media presence was maintained and promoted and engagement increased through all channels. The Institute now has over 28,000 followers on LinkedIn, over 5300 on Facebook and almost 3000 on Twitter. Over the year, visitor activity on the BINDT website was seen to increase, with over 450,000 visit sessions from over 248,000 users and 1,340,000 page views.
- Wider promotion of Institute Awards took place through our social media channels, inviting nominations initially and then announcing the winners during the NDT 2021 Webinar Week.
- A social media campaign continued to reinforce the quality of the PCN brand worldwide and inform on the latest situation with regard to the COVID-19 pandemic and Brexit.
- The Institute's social media activity included participation in various national campaigns, including National Apprenticeships Week, World Engineering Day 2021, International Women's Day, the Big Engineering Conversation, Tomorrow's Engineers Week, INWED 2021 and IET Engineering Kids' Futures.
- Continued advertising of the four Institute apps resulted in an increase in downloads: the NDT Reference app has now been downloaded by almost 45,000 users, NDT News by over 14,750 users, NDT Events by 2850 users and PCN Verifier by 7550 users, on both Apple and Android devices.
- Development of a plan to further expand and support the Institute's outreach activities in key areas of the business (certification, apprenticeships, membership and STEM) continued.
- The expansion of a 'resource library' for presentations, images and other materials continued.

For 2022, the marketing team's priorities will be to:

- Further develop the marketing strategy and approach in line with the outcome of discussions at the Strategy Retreat in May 2022.
- Strengthen the marketing team with the recruitment of a new member of staff into the role of Marketing & PR Assistant, to fill a vacancy created by the resignation of a team member in early 2022.
- Further develop the plan to increase BINDT's outreach activities in support of the main areas of certification, membership, STEM and apprenticeships and plan the future recruitment of an additional member of staff to co-ordinate this activity.
- Continue promotion of the book: *An Introduction to Condition Monitoring and Diagnostic Technologies* and other BINDT publications.
- Support and promote all Institute events and Branch meetings.
- Support and promote the apprenticeship schemes.
- Continue to promote BINDT membership and professional registration to new cohorts.
- Consider the additional marketing requirements for other areas of the Institute's business, including the PCN Scheme.
- Continue to expand activities to promote diversity, inclusion and equality within the Institute membership and engineering in general.
- Continue to provide marketing support and guidance to BINDT's main committees to assist them in achieving their strategic aims and ambitions.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

Education, Professional Development, Membership and Engineers/Technicians Registration

The Institute's activities in these important areas are overseen by the Membership, Qualification and Education Committee (MQ&E) and its subsidiaries: the Engineering Council Working Group (ECWG) and the Education and Professional Development Committee (E&PD) and these are responsible for all membership and Engineering Council registration matters as well as education, CPD, liaison with Engineering Council and accreditation of training.

The coronavirus pandemic and the associated lockdown and social distancing measures have again had a direct impact on the way in which committee meetings were held. All meetings, which historically have been held on a face-to-face basis, were now continued to be held remotely using online video meeting software. This was continuing to be implemented with great success – a direct result of the hard work carried out by the BINDT staff to coordinate. As such, all meetings were well attended by committee members and the meetings proved to be very efficient. It was of great importance that these meetings continued, to ensure that member applications and all current topics were discussed and to ensure that all members receive the continued support if the Institute.

Numbers of the non-fee grade of Affiliate Members continued to grow, albeit not as fast as in the year following its introduction, while full-paying voting membership grade numbers have maintained in 2021, with an expectation that number will increase again in the forthcoming years. Various strategies to convert Affiliate grade to grades with full paying membership and voting status are being discussed.

The E&PD committee has achieved a remarkable amount over the last few years, with the development of NDT Operator, NDT Engineering Technician and NDT Engineer Apprenticeships, all of which are now well established, with over 160 people enrolled, mainly on the Operator and EngTech schemes. It was agreed that Condition Monitoring will be incorporated into the NDT apprenticeships when they are reviewed; this is ongoing and will be implemented as soon as all the terms are finalised. The Level 6 NDT Engineer does currently incorporate CM modules in the degree programmes, so no change is required with this apprenticeship scheme.

BINDT conducted 22 end-point assessments in 2021: 16 NDT Engineering Technician apprentices, 5 NDT Engineer apprentices and 1 NDT Operator apprentice. All end-point assessments were carried out remotely.

BINDT assisted with the end-point assessments of apprentices on the Institute of Corrosion (ICorr) scheme. The second group of Industrial Coating Inspector Apprenticeships were completed in July 2021.

BINDT is still involved with the Nuclear Welding Inspection Technician (NWIT) apprenticeships and will be involved in the EPAs for the 2022 cohort. BINDT is also advising the University of Northampton (UoN) team on the EPA requirements for the Level 6 apprenticeship schemes that they are now running fully under the rule change. The MSc course is progressing with a new course leader at the UoN, Professor Chris Holt.

The ECWG continued its excellent work in managing the professional engineering registration processes for BINDT members. The number of trained Professional Review Interview (PRI) assessors is sufficient to allow BINDT to facilitate interviews at various locations with timely availability over the next two years, and it has been identified that there is a likelihood that that more will be needed thereafter. However, given the robust process in place to attract and train assessors and interviewers, this is not predicted to be an issue, which is a great credit to the efforts put in by ECWG, which in itself is growing and becoming more diverse. Due to the pandemic, PRIs continued to be held remotely, which led to an increase in the number of interviews conducted.

The Institute for Apprentices & Technical Education advised that it would be conducting a review of all apprenticeships and will be making some changes. Considerable work will be needed to update courses and it may take up to one year to complete the review, with some of the proposed changes assessed by some quarters as being quite detrimental to the apprenticeship programmes. Ensuring that BINDT achieves the best possible outcome will take substantial negotiations in the coming year. Additionally, the decision to move from a system where many organisations deliver external quality assessment (EQA) of end-point assessments to one where two organisations deliver EQA (Ofqual or, for integrated higher and degree apprenticeships, the Office for Students (OfS)) proved to be a challenge for BINDT and a solution remains to be found.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Continuing Professional Development (CPD) activities recording facility developed by MQ&E and adopted in 2018 is now embedded into the BINDT website as 'My Continuing Professional Development', allowing BINDT members to upload details of CPD activities along with supporting documents. Several members have volunteered to join the CPD monitoring scheme and submissions are periodically reviewed by members of the MQ&E committee. With CPD now mandatory to meet Engineering Council requirements, the system provides an excellent facility for personnel to record their CPD to maintain registration.

Certification (NDT and CM)

The Certification Management Committee (CMC) comprises individual volunteers from representative industry sectors and Institute staff members. Its role is to assist the Institute's Certification Services Department (CSD) to ensure the impartiality of its certification activities and to counteract any tendency to allow commercial or other considerations to prevent the consistent provision of certification activities. The CMC conducts its affairs in an open and transparent culture considering certificate holders' perspectives and aims to ensure available certification meets the specific requirements relevant to end-user requirements.

BINDT and the Certification Task Group (CTG) provided the community of AQB/ATOs with health and safety guidance once the global pandemic lockdowns started to relax in Q3 2020. A video presentation was produced on the measures being introduced to mitigate the spread of the coronavirus in the training and examination environment and this was distributed and made available for download from the PCN news website. In Q3 BINDT saw a gradual increase in the number of examinations being held which gave PCN holders the opportunity to revalidate their certification.

BINDT continues to provide the option to extend certification only where the following individual circumstances apply:

- Where ongoing travel restrictions, local, national or international prevent the required personnel attending the examination venue, whether at an examination centre or the candidate's place of work.
- Personal circumstances associated with vulnerability and shielding prevent the candidate from attending an examination. Consideration is given to the candidate's wider personal circumstances.
- Personal quarantine – should the candidate be forced to quarantine themselves in line with government requirements, preventing re-qualification.

The following summary gives an overview of the achievements made during 2021 set against the work involved recovering from the COVID-19 pandemic:

A slight increase in PCN NDT certificate holders was recorded at the start of 2021: 21,051 (20,983 in 2020) holding a slightly higher number of qualifications: 46,867 (46,726 in 2020). Accompanying NDT certification, the Condition Monitoring sector has remained stable: 1880 PCN certificate holders (1877 in 2020) possessing 2176 CM qualifications (2164 in 2020).

Complementing personal certification, 43 NDT ATOs (43 in 2020) and 18 CM ATOs (21 in 2020) organisations held Approved Training Organisation approval along with 21 AQB organisations (22 in 2020) holding Authorised Qualifying Body approval. In addition, eight organisations (seven in 2020) held a BINDT certified Quality Management System (QMS), there were 14 BINDT approved Inside Agencies or Outside Agencies (15 in 2020) and four BINDT-approved companies under RIS2701 (6 in 2020) for the rail industry.

With reference to PCN Aerospace, the UK regulator the CAA (Civil Aviation Authority) has accepted the recently reviewed PCN Aero scheme within CAP747, GR23 for use on all G registered aircraft maintained within the UK. EASA has not indicated it is unwilling to accept PCN Aerospace as an alternative, acceptable means of compliance and is insistent that certification that meets the requirements of EN 4179 would be the only accepted means. The CAA has been approached to petition EASA over this decision, however, and as yet, negotiations have not taken place due to other ongoing Brexit discussions.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

Since Brexit, EASA and the EU Forum have confirmed that the UK NANDTB continue to be a member of the EU forum, however, the German CAA have taken the decision not to recognise approvals issued by the UK NANDTB. This has been raised with the EU forum and EASA who confirm that although the UK approvals are recognised, Germany are using their sovereign right to reject UK approvals, a decision over which EASA has no control.

In addition, and with regard to ongoing Industry Sector Method Working Group (ISWG) development, great progress has been made for the inclusion of testing wrought manufactured plate under the umbrella of ISO 9712 in the form of 'Limited Certification' and out from under the shadow of ISO 20807, which industry employers were much less familiar with.

With regard to the modularisation of radiography training and examinations, the Certification Services Department (CSD) now believes that, following development work, the framework structure is robust and is transferable to other NDT methods. The next priority project is Product Technology; BINDT will be implementing a pre-requisite online course for initial PCN candidates and those who require recertification to ensure they have a sound knowledge and awareness of product technology. ISO 9712:2021 has seen an increase in training hours/days required, therefore this course will complement the main method course to allow ATOs to keep the classroom training hours/days to a minimum.

PCN on-line examinations continue to be implemented in an ongoing phased approach. The next phase is to roll this out to at least one additional UK AQB for NDT and one CM ATO. Functionality of the database has been improved to allow CM exams and NDT AECs (overseas) to use the online system. In association with the PCN on-line examinations, development is progressing in streamlining the PCN administration processes through better IT systems, including the implementation of e-certificates, which was successfully introduced in June 2021.

The deadline for compliance to UK PESR (Pressure Equipment (Safety) Regulations) is fast approaching. EU individuals had until 31 December 2021, to gain compliance with the UK PESR after which their EU RTPO PED compliant certification would not be accepted for the UK market. However, on 24 August 2021, the UK Government announced that it would be extending this deadline until 01 January 2023, meaning that EU RTPO PED-compliant certification would be accepted in the UK until this point. BINDT is currently working with EU certification bodies on a conformity project to offer a solution.

Along with managing certification issues, the day-to-day activities of developing new certification documentation, internal and external auditing and administration tasks continued against the background of working from home, in order to ensure that NDT certification remains in place and valid. The continuing success of the scheme is a remarkable achievement and true testament to the dedication and professionalism of the CSD team which, again, is gratefully acknowledged by the CMC members.

CSD objectives for 2022 are to work towards transitioning and improving the PCN scheme against ISO 9712:2021 with improved training and qualification processes whilst at the same time continue in future-proofing certification into the 2020s. The CMC membership will support the CSD in achieving these goals for the benefit of all.

Technical & Industrial

The Technical and Industrial Department offers technical support and industrial experience to the Certification Services Department of the Institute in particular and also to the Institute as a whole. It also takes responsibility for the development of online examinations and several other projects related to the development of new training and certification schemes.

Some examples of these projects, with work in progress during 2021, are as follows: Plant Engineer, Radiography, Radiation Safety, Eddy Current, Ultrasonics, Guided waves, Composites, Aerospace – a new PCN Aerospace document is scheduled to be launched early in 2022.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

John Moody, Senior Technical Engineer, continues to coordinate the development of BINDT's apprenticeship schemes in conjunction with the Education & Professional Development Committee. There are significant ongoing issues with the external QA provision of the schemes as BINDT is not approved under the OFQUAL option and is one of the schemes currently directly managed by the Institute for Apprenticeships. The review of the existing standards has commenced but the approval to conduct EPAs has taken a higher priority.

The development of the MSc programme in conjunction with the University of Northampton has been put on hold due to low numbers and the different approach adopted by the new head of the programme. There is a significant project relating to the introduction of necessary revisions to the PCN scheme based around the revision of the core standard ISO 9712 and the changes to training duration.

NDT Events

2021 was again a challenging year for the Conferences and Events team due to the Covid 19 pandemic, with all events moved to an on-line virtual webinar platform.

In January the Events Department supported a one-day workshop on 'Reliability of NDT' and in the evening of the same day a Burns supper in conjunction with the Scottish Branch. Both events were held virtually, as were the annual aerospace event and the conference on Condition Monitoring, and all events were well-attended, a pleasing result that also applied to Branch meetings held over the period.

The annual NDT conference was once again held as a webinar event and, like the year before was a huge success, with all presenters giving live presentations, and a showcase of papers from RCNDE proved to be extremely popular, including a plenary. The conference had a full five-day programme of papers and excellent attendance each day. The NDT exhibitors had their own sessions comprising 10-minute live demonstrations or presentations, with a dozen companies taking part.

Delivering the 2021 conference and events programme was less of a challenge than in 2020 but still a great achievement for the team; the feedback was excellent and encouraged more events to be given on-line in such difficult times.

BINDT hopes to conduct in-person events in 2022. Useful lessons were learnt from the pandemic and certain features such as virtual elements will be considered for future events.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

A full listing of the events is in the table below:

Event	Date	Venue
Reliability of NDT webinar and virtual burns supper evening	24th January, 2021	Virtual Webinar
Aerospace Workshop	20 th April, 2021	Virtual Webinar
Aerospace Event	21 st – 22 nd April, 2021	Virtual Webinar
Aerospace Event Exhibition	21 st April, 2021	Virtual Webinar
CM Conference	14 th - 18 th June 2021	Virtual Webinar
CM Exhibition	14 th - 16 th June 2021	Virtual Webinar
NDT Conference	6 th - 10 th September 2021	Virtual Webinar
NDT 2021 Exhibition	6 th - 8 th September 2021	Virtual Webinar
Marine Composites Inspection Workshop: 'Sea' what you are missing...	Originally planned for October 2021; rescheduled to 2022	Royal National Lifeboat Institution (RNLI), Poole
Workshop on structural integrity, NDT and CM requirements for Industry 4.0	Originally planned for October 2021; rescheduled to 2022	MTC, Coventry
BINDT/RCNDE/CIRIA Workshop on NDT Requirements for Road and Rail Civil Structures	Originally planned for November 2021; rescheduled to 2022	Institution of Civil Engineers London

NDT Publications

The Institute's NDT publications continued to be received well in 2021, both those delivered electronically and in hard-copy format.

Insight continues to be well supported by researchers and academics. Overall there were slightly fewer technical papers being submitted to Insight in 2021 along with a small decline in the number submissions from the UK, with papers from China continuing to be the largest source of material submitted. The standard of reviewing also remained rigorous, with accepted papers continuing to undergo a thorough assessment and fewer papers being rejected.

The number of online downloads increased, while member and pay-per-view access to articles and citations all remained steady. However, subscription income showed a small decline in 2021.

Advertising income for Insight increased in 2021, with a number of new advertisers agreeing contracts throughout the year.

NDT News saw a small decline in advertising support in 2021, but maintained its high editorial standards and the publication continues to be the main vehicle for communication with the practitioners of NDT and related disciplines and the excellent contributions from its regular columnists is appreciated, including the reports from BINDT's Branches.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

The BINDT Yearbook was further developed with expanded sections and additional content. This continues to be extremely well received and also had good support from both existing and new advertisers in 2021.

The NDT 2021 Webinar Week, which replaced the Annual Conference in 2021, made full use of the BINDT Events app very successfully.

Despite the challenges brought about by the pandemic and the need for remote working, each publication continued to be produced on time and to the highest production standards.

The Publishing, Media and Marketing Department continued to produce numerous other documents, leaflets, brochures and publications in support of all of BINDT's propositions and, notably, in support of the promotion of membership, professional engineering registration and NDT apprenticeships.

Condition Monitoring (CM) Events and Publications

The 2021 CM conference was held as a virtual event and achieved the aim of reaching the international audience who could not travel due to pandemic restrictions. Attendee feedback was good. This was the first year we have mixed practitioner and academic papers in all sessions and led to a good level of engagement. This format will be repeated for the live event CM2022 in the London Hotel in June. However, financially it was under break-even due to the higher than anticipated costs associated with setting up the on-line technologies and producing the proceedings.

No shows by speakers continues to be an issue and plans are in review for 2022 to ensure registration fees are received before the papers go into the proceedings.

The 2022 exhibition space is being taken up and it is encouraging that the exhibitors are supportive and the face-to-face conference is welcomed by all. We do not yet know the impact of the invasion of Ukraine on the attendance by our Russian colleagues, who regularly chair sessions and provide several speakers.

Conference Chairman Len Gelman is working with the team at MFPT in the USA, to jointly promote each others' conferences with closer cooperation. Sadly, with international travel still being difficult, we cannot anticipate attendance beyond the regular exhibitors.

The CMTC committee recognises the dedication and effort put into the conference by the conference organising and marketing teams, particularly in managing the arrangements with the hotel venue in moving our event from 2020 to 2022 without loss to BINDT.

Throughout the pandemic, CMTC have maintained a full schedule of working group and special interest group meetings. Moving to Zoom has encouraged more frequent and shorter calls and has been particularly effective in generating the syllabus for the CM General PCN.

The vibration monitoring, lubrication analysis, acoustic emission, ultrasonic and thermography working groups have been working on the question bank to ensure ISO alignment of the BINDT PCN courses and with the move to on-line examinations. The move to online examinations is welcomed by the working groups and is seen as a very positive move; most would also like on-line training as an option, to enable PCN to compete with the other popular training and qualification schemes, particularly in IRT.

2021 saw the first year of four planned meetings, with both general and special interest groups coming under the joint committee of NDTTC and CMTC. Having a defined focus in 2021 has had some positive results, and the Terahertz group has been particularly welcomed within the CM community. Whilst others like SHM have struggled to get traction, but there is a new initiative for review in the latest five-year plan.

With respect to CM Publications, the *Condition Monitor* international newsletter has been on-line only from 2019 and still maintains high-quality papers and articles. It is a credit to BINDT and is available and of interest to all members of both CM and NDT. New and past conference papers are also published in *Condition Monitor*, raising it from the newsletter style inherited many years ago to a serious publication. The ease of access and overlapping interest of the joint committee special interest groups should increase the uptake.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

The *INSIGHT* journal continues to run CM technical papers and saw a great improvement throughout 2020 as papers from the past CM conferences are used in alternate months. The CMTC committee thank and acknowledge the support from BINDT publications, the CMTC and working group membership, in providing and refereeing these papers.

The new textbook: 'An introduction to Condition Monitoring and Diagnostic Technology' has been published and is available at a very reasonable £60 for members. This valuable addition to the CM series of publications should become an essential textbook. An effort was started in 2021 to reach out to the relevant universities to recommend this as students start their careers and look to take their PCN level 1. As the universities revert to live students, we anticipate increased sales in 2022.

Due to government changes in 2021, the CM apprenticeship schemes will follow on from the existing CM schemes, rather than start new schemes; this is a faster track than CM attempting to create their own. At present, the wording for the Operator and Technician standards have been modified to include both CM and NDT. The Engineer standard has not been changed as this was originally written to include the NDT degree programme at Northampton University, which already includes a substantial amount of CM. Further development of the revised scheme is on-going.

Awards and Recognition

It is very important to BINDT to recognise the contribution of those working in NDT, condition monitoring and its associated science and technologies. Under the guidance of the Croxson committee, a comprehensive reward and recognition structure has been put in place over the years, resulting the awards listed in the table below. The updates for 2021 are as follows.

Due to continuing Covid-19 restrictions it was not possible to recognise our award winners as usual at the CM and NDT conferences, so BINDT held its awards ceremony online for the second year running; this was as part of the webinar week in September 2021. Whilst not the same, it was very important to recognise the achievement of the award winners, those who have been a member for over 50 years, Honorary Fellows and Members and out-turned NDT Apprentices. The ceremony was well attended and received.

An award in memory and recognition of the late Gail Long, one of first women to be working in NDT, was launched and awarded to two winners in 2021. It recognises the contribution of women at an early stage of their career in NDT/CM and aims to raise the profile of women in NDT/CM and in engineering.

Peter Wallace was awarded the Lifetime Achievement Award for his continued contribution for over 50 years to BINDT and our industry and as Chair of the Benevolent Fund.

The Croxson Committee completed a review of the criteria of all awards to ensure they are as diverse and inclusive as possible to encourage nominations from across NDT, CM and the wider community. The revised awards will be launched in 2022.

THE BRITISH INSTITUTE OF NON-DESTRUCTIVE TESTING LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

The current Institute awards are as below:

Award	Purpose
Lifetime Achievement Award	To recognise the valuable and extensive contribution to the British Institute of NDT and the wider NDT/CM community by an individual who has spent most of his/her career in NDT/CM and who has been an active member of the Institute for an extensive period of time.
Personal Contribution Award	To recognise a valuable and extensive personal contribution to the British Institute of NDT and the wider NDT/CM community by an individual who has been an active member of the Institute for an extensive period of time, in which they have contributed and influenced the wellbeing of the Institute.
The Roy Sharpe Prize	For a significant contribution through research and development in any branch of NDT to the benefit of industry or society.
The Anne Birt Award	For a significant contribution to technology innovation, technology transfer or technology strategy in the field of NDT.
The Nemet Award	For an outstanding contribution to the practice of NDT (by an individual).
The Hugh MacColl Award	For a distinguished contribution by an individual to the teaching or training of NDT or CM. Nomination required. This should show the contribution to the teaching or training of NDT or CM.
Aerospace Award	To recognise significant contributions to the NDT/CM community within the aerospace sector.
The John Grimwade Medal	For the best paper published in BINDT's NDT Journal ' <i>Insight</i> ' in the preceding year.
The Ron Halmshaw Award	For the best paper on radiography published in <i>Insight</i> in the preceding year.
The BINDT Annual NDT Conference Paper Award	An informal award presented at the end of the NDT Annual Conference for the best paper published in the conference Proceedings.
The William Gardner Award	For the best paper in the Proceedings of the NDT Annual Conference by a student or person in the early stages (first five years) of their career.
Practitioner Award	To recognise outstanding achievement in the learning, sharing or execution of NDT or CM practice by a BINDT member.
The Tony Lager Award	For meritorious service to an Institute Branch by an individual.
Branch Service Award	For an outstanding contribution to Branches.
The T H Cole Award	For the Institute Branch with the best percentage increase in membership during the preceding year.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Jim Cottier Travel Scholarship	To aid the professional development of a young BINDT member by attending an overseas conference.
Annual NDT Conference Travel and Attendance Award / Annual CM Conference Travel and Attendance Award (One per conference)	To encourage attendance at the BINDT Annual Conferences by contributors from foreign nations.
The COMADIT Prize	For a significant contribution through research and development in any branch of condition monitoring to the benefit of industry or society.
CM Innovation Award	For a significant contribution to technology innovation, technology transfer or technology strategy in the field of CM.
The Len Gelman Award	For the best paper in the Proceedings of the CM Annual Conference by a student or person in the early stages (first five years) of their career.
The Roger Lyon Apprentice of the Year Award	In recognition of the outstanding achievement of a NDT Apprentice who has successfully completed their end-point assessment through BINDT.
The Gail Long Early Career Women Engineer of the Year	To recognise the contribution to NDT/CM or the wider engineering community of women in their early career.

IT developments

BINDT's IT strategy is based on the fundamental premise of alignment of IT capability with business requirements, thus ensuring that the investment in IT creates maximum value.

The concept revolves around a series of 'service centres', each having its own administrators inputting and updating data. Data is transferred to a central 'Hub' where it is used to provide information on members, customers and stakeholders. The Hub exchanges information with the service centres as appropriate. Some of the service centres are already established - the PCN and membership databases feature user-friendly interfaces for administrators to manage the appropriate data in a robust and upgradeable architecture that can interface with the Hub.

The IT plan continues to be developed and enhanced as the development progresses. The overall objective is to enhance productivity and provide tools that will allow staff to work more efficiently while also providing the required data for Customer Relationship Management (CRM) and useful Management Information (MI).

During 2021, a significant amount of progress was made in developing the plan to develop the processes involving the transactions that take place between the certification services and accounts departments, with the aim of streamlining these processes, reducing paper and increasing efficiencies. This work will continue in 2022.

2021 also saw the acquisition and implementation of a Digital Rights Management (DRM) system that facilitates the secure delivery of e-certificates to PCN certificate holders. The software is also used for distribution of other publications, including the 'HOIS' documents available from the BINDT bookstore.

Website

In order to maintain its position as a high-performing organisation, BINDT recognises the need to continually improve its website and digital platforms.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

Due to budgetary constraints, development of the BINDT website in 2021 was restricted to essential maintenance and enhancements. However, some further development of the My Career and CPD sections of the site were implemented in the light of the growing importance of Continuing Professional Development (CPD) in the careers of members and stakeholders.

By the end of 2021, users had uploaded nearly 4000 entries to the system and the growing popularity of the tool demonstrates its appeal to members.

The Institute continues to devise plans to provide online professional development tools for managing a user's Initial Professional Development (IPD), Continuing Professional Development (CPD) and professional registration application; and to provide guidance and support to enable members to undertake planned and structured IPD and CPD. For example, the ability for PCN certificate holders to record CPD points for certification renewal, linked to PCN's CP16 or 17, is an on-going strategic aim.

Establishment

The 'establishment' is the term used to describe three important aspects of the Institute: the premises from which it operates, the facilities it uses in order to carry out its business and, perhaps most importantly, the people it employs.

All matters pertaining to the establishment, including material changes to the staff costs (headcount, pay increases, bonus payments, etc.) are governed by a committee called the Establishment Review Panel, which comprises the Institute's Senior Officers (President, President-Elect, Immediate Past President, Honorary Secretary and Honorary Treasurer).

During 2021 the ground-floor tenants at Midsummer House (MSH) renewed their tenancy for a further four years and BMW began the work on constructing a vehicle ramp to the rear of the warehouse, a project agreed as part of the original purchase agreement of MSH.

Financial

For another year, the continuing background of uncertainty caused by Brexit, and the Covid-19 pandemic meant that the budget for 2021 was again set to be conservative.

As the year began, recruitment for replacement staff continued to be on hold, with tasks being shared out to existing staff where they could be. It is worth pointing out that this was helped by the willingness and flexibility of the staff. Consequently, the reduced income was more than offset by the careful cost control and the year-end reserves were higher than budgeted and in excess of the upper limit for liquid reserves.

A budget has been set for 2022 which is again cautious in terms of revenue, given the uncertain industry context. Included in the budget is continued investment in IT infrastructure as this is an important element of 2022 business activity and will ensure an efficient operation of the executive for the future.

The Business Model Advisory group – BMAG, continued to review quarterly outcomes and map these onto a developed business model/forecasting tool. This enabled the group to review best, worst and likely case scenarios, which are shared with council at strategy related meetings. This financial background is then reflected on the actions we are able to take as a mission-focused social enterprise and not a commercial undertaking.

A robust contingency plan has been agreed to deal with any future sharp decline in business volume (i.e., revenue) or any unexpected but significant and necessary expenditure.

Overall, despite the significant challenges in recent years, BINDT formally continues very much to be deemed to be a going concern and the long-term financial and the strategic health of the Institute is very good.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

Reserves Policy

The reserves policy, and the reserves themselves, exist to support BINDT's mission as defined at the beginning of this report. Therefore, it is the policy of BINDT not to accumulate large amounts of reserves that are not supporting that mission.

At the time of writing, the BINDT reserves policy is defined by 'Action Trigger Levels' and 'Action Awareness Bands' which relate specifically to the level of liquid reserves, which is tracked and forecast by BINDT's Finance Committee on a quarterly basis.

The bands/trigger levels are as follows:

- If/when liquid reserves exceed £1m, Trustees should trigger actions to increase expenditure.
- If/when liquid reserves are between £850k and £1m, Trustees should be aware of the potential need to take actions to increase expenditure.
- If/when liquid reserves are between £850K and £700k, Trustees should be aware of the potential need to take actions to decrease expenditure.
- If/when liquid reserves are below £700k, Trustees should trigger actions to decrease expenditure.

The rationale for the upper and lower trigger levels is as follows:

The lower trigger level is set at £700k since, at the time of writing, that sum corresponds approximately to the fixed/residual cost of running the Institute for 6 months (including paying staff salaries) if there was no income whatsoever.

The upper trigger level is set at £1m since, at the time of writing, the historical fluctuation in the current account balance demonstrates that the absolute worst case is £300k. Therefore, having an Action Trigger Level bandwidth of £300k should avoid the situation where liquid reserves peak above the upper and dip below the lower trigger levels due to normal fluctuations.

The Action Awareness Bands simply split this bandwidth in half, which is logical.

It should be borne in mind that BINDT has significant fixed assets in addition to its liquid reserves.

Investment objectives and performance

Objectives

The wealth planning objectives for BINDT are:

- To invest surplus capital in order to potentially achieve long-term growth, to enhance value and achieve financial security for the future.
- To retain a minimum investment time horizon of 5 years, although in reality the investment term is likely to be at least 10 years.
- No specific rate of return is required but the primary objective is to maintain and enhance the purchasing power of surplus capital over the medium to long term.

Risk Profile

BINDT's risk profiling assessment identifies BINDT's natural tolerance to risk as Balanced. The assessment is not intended to lead to a definitive outcome, but rather to provide a useful starting point on which further discussions can be based.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

When recommending a suitable risk category, in addition to natural preference for risk, we have also considered the following:

- Capacity for loss – ability to cope with investment loss.
- Tolerance for loss – the amount of risk BINDT is willing to take.
- Need to take risk to meet financial planning objectives.
- Knowledge and experience of investing.

Capacity for Loss

The largest likely decline identified in the expected returns table is within acceptable parameters in terms of capacity for loss for the following reasons:

- BINDT is comfortable with its current level of income and is not reliant on the performance of invested funds.
- BINDT has committed to a minimum investment term of 5-10 years, which should allow the opportunity to recover from short-term losses.
- BINDT has no foreseeable need to access invested funds.

Tolerance for Loss

Having assessed the expected returns and losses, it has been agreed that, as a Balanced investor, BINDT has a tolerance for loss of up to 12.00% over an annual period.

Risk

It has been identified that, whilst returns can never be guaranteed, the expected returns of the recommended Balanced strategy should meet the set objectives. As such, a Balanced risk profile continues to remain suitable and in best interests of the Charity in order to help meet objectives.

Knowledge and Experience

BINDT has a strong knowledge and understanding of the principles of investing. It also has strong experience of investments and the associated fluctuations in value.

This can be evidenced with reference to BINDT's 25-year-plus investment history, investing in managed funds and other collective investments.



Client Waterfall Report

22 November 2021

Valuation report for British Institute of Non-Destructive Testing BINDT
Valuation period 22 November 2020 to 22 November 2021

Account Number A10144604
General Investment Account

	(£)
Opening value of Account	535,136.31
Cash paid in	0.00
Cash paid out	0.00
Transfers in and/or out (re-registration)	0.00
Change in value of assets	77,326.09
Interest	0.01
Dividends and Income Distribution	0.00
Charges	
Platform Charges	-2,000.54
Product Provider charges	0.00
Financial Adviser Charges	-5,719.80
Discretionary Fund Manager charges	0.00
Other charges	0.00
Closing value of Account	604,742.07
Net rate of return (annualised figures)	13.01% (12.97%)
Gross rate of return (annualised figures)	14.55% (14.51%)

Performance indicates Balanced strategy meets the set objectives.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

NDT Leadership Forum

At the Institute's Strategy Retreat in 2018 and 2019, the need was identified for BINDT to become more involved strategically in the industry, including the redrafting of the 'Landscape Report' to the KTN and InnovateUK, capturing requirements from various industry sectors.

The Board of the Research Centre for NDE (RCNDE) also ran a workshop where this need for better strategic leadership of NDT became clear, covering more sectors than RCNDE can cover and working on transitioning NDT technologies and influencing design engineers about design for inspection and the benefits that improved NDT can bring.

Professor Robert Smith, Director of the UK Research Centre for NDE (RCNDE) and Past President of BINDT, initiated the development and establishment of an effective and long-term leadership forum, outside of specific institutions, that can:

- brief government and influence other engineering professions about the benefits of NDT/SHM/CM
- ensure adequate well-trained NDT engineers and
- capture the NDT/SHM/CM requirements from each sector to inform R&D strategy, and initiate protocols, best practice guides and standards to underpin technology transitioning, including technology and technique qualification, and training.

BINDT has set up an Advisory Group on Strategic NDT Leadership to support the establishment of the Forum, including identifying a Founding Chair and supporting the Chair during the initial work to establish the Forum. In the initial phase, the NDT Leadership Forum will be accountable to BINDT's Advisory Group on Strategic NDT Leadership but this will be reviewed after an appropriate period. In January 2021 it was announced that the BINDT Advisory Group on Strategic NDT Leadership had appointed Mark Dowell as founding Chair of the NDT Leadership Forum.

Summary of the year just ended (2021)

The year began with the formal end of the Brexit transition period. Around a week earlier, a 'bare-bones' trade deal had been announced but, as a result of the decision by the EU to reject the UK's request for broad recognition of conformity assessments that would allow UK-based notified bodies to certify products to EU standards, new and renewal PCN certificates issued after 31 December 2020 could no longer be used by personnel to carry out non-destructive tests on permanent joints for pressure equipment in categories III and IV in accordance with section 3.1.3 of schedule 2 under the European Pressure Equipment Directive (PED). Fortunately, the arrangements the Institute put in place with WQ-iC Ltd, a Recognised Third-Party Organisation and Notified Body based in Dublin, Ireland, addressed the issue successfully and ensure that PCN certificate holders may continue to serve the EU market.

Financially, the cost saving measures put in place more than addressed the downturn in income and the Institute had, at the end of 2021, a better financial position than anticipated, although some of the desired activities and development projects had, once again, to be postponed.

During the pandemic, BINDT had, like many other organisations, adopted and implemented new services or ways of working. Measures included only opening the offices on certain days, health and safety measures to help to protect employees and customers and a new telephone system to enhance customer service while facilitating a flexible approach to working. The provision of electronic certificates for PCN certificate holders was also introduced, with the obvious savings in time, costs and paper.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

At the beginning of the year it had been hoped that things would soon 'return to normal', but of course this did not happen, and was only gradually starting to be visible by the end of the year. Therefore, most of the Institute's planned meetings and events were either postponed or carried out online, with general success. As had been experienced in 2020, the transfer of many topical meetings online by both BINDT and other institutes greatly widened involvement, and this is expected to continue, although obviously with online events the social and networking aspects are greatly diminished.

The traditional west of Scotland January meeting 'reliability of NDT' was transferred online and was followed by an on-line 'Burns night celebration'. Likewise, the aerospace event and the annual condition monitoring (CM) and non-destructive testing (NDT) conferences were converted to online, while other meetings and events were postponed for another year.

Some of the highlights of the year's marketing and PR activities included:

A series of direct communications and press releases were circulated in relation to the EU Pressure Equipment Directive and its impact on PCN certification.

Promotion of Institute events continued, as did promotion of the NDT apprenticeship schemes, and several editorial articles relating to NDT/CM and BINDT were written in-house and circulated.

Promotion of BINDT books continued and advertising materials and press releases were rolled out for the new title: 'An Introduction to Condition Monitoring and Diagnostic Technologies', which was published and launched in January 2021.

The Institute's internet and social media presence was maintained and promoted and engagement increased through all channels. The Institute now has over 28,000 followers on LinkedIn, over 5300 on Facebook and almost 3000 on Twitter. Over the year, visitor activity on the BINDT website was seen to increase, with over 450,000 visit sessions from over 248,000 users and 1,340,000 page views.

Continued advertising of the four Institute apps resulted in an increase in downloads: the NDT Reference app has now been downloaded by almost 45,000 users, NDT News by over 14,750 users, NDT Events by 2850 users and PCN Verifier by 7550 users, on both Apple and Android devices.

The Institute's social media activity included participation in various national campaigns, including National Apprenticeships Week, World Engineering Day 2021, International Women's Day, the Big Engineering Conversation, Tomorrow's Engineers Week, INWED 2021 and IET Engineering Kids' Futures.

Outlook for the year just started

While infection rates have remained high, the determination to 'get on with it' has generally meant that the move to 'in person' or hybrid events has continued.

The Glasgow event was again held online and was well-supported and successful workshop on reliability of NDT was held alongside.

The Institute has already held several in-person events, including the Bristol Aerospace event, which was a great success, as was the Analysis of Art workshop held in Florence, Italy. At the time of writing an Industry 4.0 workshop is being held at the MTC in Coventry and the CM Conference is about to take place in London where it is hoped that there will be significant overseas attendance, despite some travel disruption and Covid restrictions still in place in some regions.

Other events, some postponed from 2021, are coming thick and fast – the NDT and Materials Testing Exhibition is due to be an in-person event in Telford in September, and a 'Civil structures' workshop is scheduled for June.

Due to the pandemic, many 'optional' projects have been postponed. Meetings are being scheduled to agree the priorities for the changed world.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

As we enter 2022, BINDT has a sound and solid base and an excellent financial reserves policy that mean it is in a good position to face the challenges that lie ahead.

Last but not least, two important human factors:

- BINDT continues to expand activities to promote diversity, inclusion and equality within the Institute staff, membership and engineering in general;
- the resilience and productivity of all BINDT employees during the year under review are acknowledged with thanks.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00969051 (England and Wales)

Registered Charity number

260666

Registered office

Midsummer House
Riverside Way
Bedford Road
Northampton
Northamptonshire
NN1 5NX

Trustees

The Trustees at the date of approval of the Report of the Trustees were as follows:-

I Baillie (President), S Baldwin, M Beecroft, J Buckley (Honorary Secretary), C Bull, M Clapham, I Cooper (President-Elect), S Cunningham, B Cutler, R Day, M Dowell (Honorary Treasurer), G Elliott (Vice President), J Farley, C Forrester, S Greenfield, J Hansen (Past President), A Hope, K Kirk (Vice President), J Knowles, M Lugg, S Mills (Vice President), J Needham, A Schofield, R Smith, A Ward, R Watson, D Whittle, D Wylie (Vice President).

The following Trustees were elected during the year:-

M Beecroft, M Lugg, A Schofield, R Smith.

There were no Trustee resignations during the year.

Auditors

DNG Dove Naish LLP, Statutory Auditor
Eagle House
28 Billing Road
Northampton
Northamptonshire
NN1 5AJ

Bankers

Lloyds Bank
2 George Row
Northampton
Northamptonshire
NN1 1DJ

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Howes Percival
Nene House
4 Rushmills
Northampton
NN4 7YB

Investment Advisers

Succession Advisory Services
Mitchell Court
Castle Mound Way
Rugby
CV23 0UY

Chief Executive Officer

D Gilbert

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The British Institute of Non-Destructive Testing Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, DNG Dove Naish LLP, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

THE BRITISH INSTITUTE OF NON-DESTRUCTIVE TESTING LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

Approved by order of the board of trustees on24 June 2022..... and signed on its behalf by:



.....
J Buckley - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE BRITISH INSTITUTE OF NON-DESTRUCTIVE TESTING LIMITED

Opinion

We have audited the financial statements of The British Institute of Non-Destructive Testing Limited (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 20 to the financial statements, 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and the understatement of revenue. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing meeting minutes, regulatory correspondence and professional fees, detailed substantive testing on the completeness of income, and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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 Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE BRITISH INSTITUTE OF NON-DESTRUCTIVE TESTING LIMITED**

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them 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 the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DNG Dove Naish LLP

for and on behalf of DNG Dove Naish LLP, Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Eagle House
28 Billing Road
Northampton
Northamptonshire
NN1 5AJ

Date: 27 June 2022

THE BRITISH INSTITUTE OF NON-DESTRUCTIVE TESTING LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities	3				
Membership and registration		290,611	-	290,611	245,296
Certification		2,073,375	-	2,073,375	1,784,467
Publishing and marketing		108,817	-	108,817	94,244
Conferences and events		25,555	-	25,555	11,907
Investment income	2	56,475	-	56,475	54,490
Total		2,554,833	-	2,554,833	2,190,404
EXPENDITURE ON					
Raising funds	4	7,805	-	7,805	6,824
Charitable activities	5				
Membership and registration		206,605	900	207,505	212,239
Certification		1,735,015	-	1,735,015	1,486,280
Publishing and marketing		500,582	-	500,582	499,920
Conferences and events		98,432	-	98,432	90,956
European & international affairs		898	-	898	9,619
Total		2,549,337	900	2,550,237	2,305,838
Net gains on investments		65,712	-	65,712	29,422
NET INCOME/(EXPENDITURE)		71,208	(900)	70,308	(86,012)
RECONCILIATION OF FUNDS					
Total funds brought forward		3,065,925	11,893	3,077,818	3,163,830
TOTAL FUNDS CARRIED FORWARD		3,137,133	10,993	3,148,126	3,077,818

THE BRITISH INSTITUTE OF NON-DESTRUCTIVE TESTING LIMITED

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	11	1,690,866	-	1,690,866	1,769,332
Investments	12	<u>604,861</u>	<u>-</u>	<u>604,861</u>	<u>546,952</u>
		2,295,727	-	2,295,727	2,316,284
CURRENT ASSETS					
Stocks	13	55,309	-	55,309	49,794
Debtors	14	523,013	-	523,013	391,580
Cash at bank and in hand		<u>711,226</u>	<u>10,993</u>	<u>722,219</u>	<u>659,175</u>
		1,289,548	10,993	1,300,541	1,100,549
CREDITORS					
Amounts falling due within one year	15	<u>(448,142)</u>	<u>-</u>	<u>(448,142)</u>	<u>(339,015)</u>
NET CURRENT ASSETS		<u>841,406</u>	<u>10,993</u>	<u>852,399</u>	<u>761,534</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,137,133</u>	<u>10,993</u>	<u>3,148,126</u>	<u>3,077,818</u>
NET ASSETS		<u>3,137,133</u>	<u>10,993</u>	<u>3,148,126</u>	<u>3,077,818</u>
FUNDS	17				
Unrestricted funds				3,137,133	3,065,925
Restricted funds				<u>10,993</u>	<u>11,893</u>
TOTAL FUNDS				<u>3,148,126</u>	<u>3,077,818</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

THE BRITISH INSTITUTE OF NON-DESTRUCTIVE TESTING LIMITED

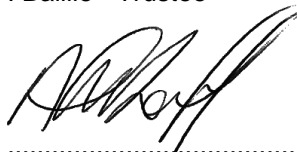
STATEMENT OF FINANCIAL POSITION - continued
31 DECEMBER 2021

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

The financial statements were approved by the Board of Trustees and authorised for issue on24 June 2022.....and were signed on its behalf by:



.....
I Baillie - Trustee



.....
M Dowell - Trustee

THE BRITISH INSTITUTE OF NON-DESTRUCTIVE TESTING LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>72,906</u>	<u>74,006</u>
Net cash provided by operating activities		<u>72,906</u>	<u>74,006</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(17,665)	(34,108)
Sale of fixed asset investments		7,803	956
Interest received		<u>-</u>	<u>8</u>
Net cash used in investing activities		<u>(9,862)</u>	<u>(33,144)</u>
Change in cash and cash equivalents in the reporting period		63,044	40,862
Cash and cash equivalents at the beginning of the reporting period		<u>659,175</u>	<u>618,313</u>
Cash and cash equivalents at the end of the reporting period		<u><u>722,219</u></u>	<u><u>659,175</u></u>

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	70,308	(86,012)
Adjustments for:		
Depreciation charges	96,131	107,289
Gain on investments	(65,712)	(29,422)
Interest received	-	(8)
(Increase)/decrease in stocks	(5,515)	50
(Increase)/decrease in debtors	(131,433)	90,963
Increase/(decrease) in creditors	<u>109,127</u>	<u>(8,854)</u>
Net cash provided by operations	<u><u>72,906</u></u>	<u><u>74,006</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/21 £	Cash flow £	At 31/12/21 £
Net cash			
Cash at bank and in hand	<u>659,175</u>	<u>63,044</u>	<u>722,219</u>
	<u>659,175</u>	<u>63,044</u>	<u>722,219</u>
Total	<u><u>659,175</u></u>	<u><u>63,044</u></u>	<u><u>722,219</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The trustees have considered a period of 12 months from the date of approval of these financial statements and have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The presentation currency of the financial statements is the Pound Sterling (£).

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within the individual accounting policies below.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration on each activity is apportioned on the basis of the proportion of income generated by each activity.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 10% on cost and 2% on cost
Presidents chairs of office	- not provided
Equipment	- 33% on cost
Fixtures and fittings	- 20% on cost

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. The selection of these residual values and estimated lives requires the exercise of judgement. The directors are required to assess whether there is an indication of impairment to the carrying value of assets. In making that assessment, judgements are made in estimating value in use. The directors consider that the individual carrying values of assets are supportable by their value in use.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

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

Fund accounting

Funds held by the charity are either :-

Unrestricted funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs

The charity makes contributions for eligible employees under a Group Personal Pension plan. Contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income under administrative expenses.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES - continued

Financial instruments

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Investments

UK quoted investments are included within the accounts at market value. Unquoted investments are included at cost.

Hire purchase and leasing commitments

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

Government Grants

Government grant income is recognised as it is receivable, to the extent that the grant has been expended by the end of the financial year. Unspent grants are shown on the Balance Sheet as liabilities.

2. INVESTMENT INCOME

	2021	2020
	£	£
Rental income	56,475	54,482
Interest receivable	-	8
	<u>56,475</u>	<u>54,490</u>

3. INCOME FROM CHARITABLE ACTIVITIES

		2021	2020
	Activity	£	£
Subscriptions	Membership and registration	218,832	217,328
IAQP	Membership and registration	3,795	5,438
End-Point Assessment	Membership and registration	63,900	22,530
Other income	Membership and registration	4,084	-
Other income	Certification	1,986	1,931
Certification activities	Certification	2,071,389	1,760,718
Government grants	Certification	-	21,818
Journal advertising income	Publishing and marketing	39,437	26,464
Publications advertising income	Publishing and marketing	30,748	34,484
Sale of books and insignia	Publishing and marketing	27,060	16,477
Journal subscriptions	Publishing and marketing	11,280	16,809
Condition monitor	Publishing and marketing	292	10
Conference and seminar receipts	Conferences and events	23,415	3,705
Branch income	Conferences and events	2,140	8,202
		<u>2,498,358</u>	<u>2,135,914</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

4. RAISING FUNDS

Investment management costs

	2021 £	2020 £
Investment management costs	<u>7,805</u>	<u>6,824</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Membership and registration	163,580	43,925	207,505
Certification	1,396,072	338,943	1,735,015
Publishing and marketing	485,938	14,644	500,582
Conferences and events	94,772	3,660	98,432
European & international affairs	<u>898</u>	<u>-</u>	<u>898</u>
	<u>2,141,260</u>	<u>401,172</u>	<u>2,542,432</u>

Direct costs include admin and project staff costs which have been allocated to activity on the basis of the proportion of income generated by each activity.

6. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Membership and registration	38,466	3,331	2,128	43,925
Certification	301,177	23,043	14,723	338,943
Publishing and marketing	12,823	1,111	710	14,644
Conferences and events	<u>3,205</u>	<u>278</u>	<u>177</u>	<u>3,660</u>
	<u>355,671</u>	<u>27,763</u>	<u>17,738</u>	<u>401,172</u>

Support costs (including project expenditure) are allocated to activity on the basis of the proportion of income generated by each activity.

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Auditors' remuneration	5,790	5,620
Auditors' remuneration for non audit work	11,948	13,913
Depreciation - owned assets	<u>96,131</u>	<u>107,289</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

8. TRUSTEES' REMUNERATION AND BENEFITS

Members of Council are not remunerated.

Trustees' expenses

Four trustees (2020: Five) received expenses to the value of £7,306 (2020: £4,734).

In addition, One Trustee (2020: One) received consultancy income of £2,280 (2020: £1,520) in respect of the Certification department operations review.

9. STAFF COSTS

	2021 £	2020 £
Wages and salaries	1,091,618	1,116,779
Social security costs	105,249	108,896
Other pension costs	<u>92,246</u>	<u>90,328</u>
	<u>1,289,113</u>	<u>1,316,003</u>

The average monthly number of employees during the year was as follows:

	2021	2020
Secretarial and management	<u>35</u>	<u>37</u>

During the year one member of staff earned remuneration between £70,000 and £80,000.

There were no other staff paid above £60,000.

KEY MANAGEMENT REMUNERATION

Key management are considered to be the Chief Executive Officer and Staff Executive.

Total key management remuneration during the year was £450,227.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Membership and registration	245,296	-	245,296
Certification	1,784,467	-	1,784,467
Publishing and marketing	94,244	-	94,244
Conferences and events	11,907	-	11,907
Investment income	<u>54,490</u>	<u>-</u>	<u>54,490</u>
Total	2,190,404	-	2,190,404
EXPENDITURE ON			
Raising funds	6,824	-	6,824

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Charitable activities			
Membership and registration	211,339	900	212,239
Certification	1,486,280	-	1,486,280
Publishing and marketing	499,920	-	499,920
Conferences and events	90,956	-	90,956
European & international affairs	9,619	-	9,619
Total	2,304,938	900	2,305,838
Net gains on investments	29,422	-	29,422
NET INCOME/(EXPENDITURE)	(85,112)	(900)	(86,012)
RECONCILIATION OF FUNDS			
Total funds brought forward	3,151,037	12,793	3,163,830
TOTAL FUNDS CARRIED FORWARD	<u>3,065,925</u>	<u>11,893</u>	<u>3,077,818</u>

11. TANGIBLE FIXED ASSETS

	Freehold property £	Presidents chains of office £	Equipment £	Fixtures and fittings £	Totals £
COST					
At 1 January 2021	1,962,482	1,547	515,554	97,135	2,576,718
Additions	-	-	17,665	-	17,665
At 31 December 2021	<u>1,962,482</u>	<u>1,547</u>	<u>533,219</u>	<u>97,135</u>	<u>2,594,383</u>
DEPRECIATION					
At 1 January 2021	258,887	-	458,967	89,532	807,386
Charge for year	54,700	-	38,042	3,389	96,131
At 31 December 2021	<u>313,587</u>	<u>-</u>	<u>497,009</u>	<u>92,921</u>	<u>903,517</u>
NET BOOK VALUE					
At 31 December 2021	<u>1,648,895</u>	<u>1,547</u>	<u>36,210</u>	<u>4,214</u>	<u>1,690,866</u>
At 31 December 2020	<u>1,703,595</u>	<u>1,547</u>	<u>56,587</u>	<u>7,603</u>	<u>1,769,332</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

12. FIXED ASSET INVESTMENTS

	Movement in market value of UK quoted investments £
MARKET VALUE	
At 1 January 2021	546,952
Disposals	(7,803)
Revaluations	<u>65,712</u>
At 31 December 2021	<u>604,861</u>
NET BOOK VALUE	
At 31 December 2021	<u>604,861</u>
At 31 December 2020	<u>546,952</u>

Analysis of investments between funds

	Unrestricted fund
	£
UK equities	604,859
Non-UK equities	-
Shares in group undertakings	<u>2</u>
	<u>604,861</u>

Shares in group undertakings

The Institute is the beneficial owner of all the issued share capital of Personnel Certification in Non-Destructive Testing Limited (PCN Limited) a company registered in England and Wales. The company did not trade during the year and has no assets or liabilities.

13. STOCKS

	2021 £	2020 £
Finished goods	<u>55,309</u>	<u>49,794</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	232,935	220,887
Bad debt provision	(5,000)	(5,000)
Other debtors	(50)	(75)
Prepayments and accrued income	<u>295,128</u>	<u>175,768</u>
	<u>523,013</u>	<u>391,580</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	109,988	70,754
Social security and other taxes	36,167	36,947
VAT	34,864	38,271
Other creditors	16,207	18,193
Accruals	83,407	59,695
Deferred income	<u>167,509</u>	<u>115,155</u>
	<u>448,142</u>	<u>339,015</u>

Deferred income

	Balance at 1 January 2021 £	Released £	Deferred £	Balance at 31 December 2021 £
Subscriptions	91,825	(91,825)	96,165	96,165
Conferences and Events	23,330	(23,330)	71,344	71,344
Total	<u>115,155</u>	<u>(115,155)</u>	<u>167,509</u>	<u>167,509</u>

The deferred income relates to subscriptions, conferences and events for the year ended 31 December 2022.

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	10,186	4,931
Between one and five years	<u>-</u>	<u>186</u>
	<u>10,186</u>	<u>5,117</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

16. LEASING AGREEMENTS - continued

OPERATING LEASES - LESSOR

Minimum lease receipts under non- cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	47,000	39,167
Between one and five years	<u>86,167</u>	-
	<u>133,167</u>	<u>39,167</u>

17. MOVEMENT IN FUNDS

	At 1/1/21 £	Net movement in funds £	At 31/12/21 £
Unrestricted funds			
General fund	3,065,925	71,208	3,137,133
Restricted funds			
Croxson Memorial Fund	2,810	-	2,810
BNC for NDT Fund	31	-	31
Halmshaw Award Fund	4,210	(350)	3,860
The Nemet Award	<u>4,842</u>	<u>(550)</u>	<u>4,292</u>
	<u>11,893</u>	<u>(900)</u>	<u>10,993</u>
TOTAL FUNDS	<u>3,077,818</u>	<u>70,308</u>	<u>3,148,126</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,554,833	(2,549,337)	65,712	71,208
Restricted funds				
Halmshaw Award Fund	-	(350)	-	(350)
The Nemet Award	<u>-</u>	<u>(550)</u>	<u>-</u>	<u>(550)</u>
	<u>-</u>	<u>(900)</u>	<u>-</u>	<u>(900)</u>
TOTAL FUNDS	<u>2,554,833</u>	<u>(2,550,237)</u>	<u>65,712</u>	<u>70,308</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

17. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/1/20 £	Net movement in funds £	At 31/12/20 £
Unrestricted funds			
General fund	3,151,037	(85,112)	3,065,925
Restricted funds			
Croxson Memorial Fund	2,810	-	2,810
BNC for NDT Fund	31	-	31
Halmshaw Award Fund	4,560	(350)	4,210
The Nemet Award	<u>5,392</u>	<u>(550)</u>	<u>4,842</u>
	<u>12,793</u>	<u>(900)</u>	<u>11,893</u>
TOTAL FUNDS	<u><u>3,163,830</u></u>	<u><u>(86,012)</u></u>	<u><u>3,077,818</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,190,404	(2,304,938)	29,422	(85,112)
Restricted funds				
Halmshaw Award Fund	-	(350)	-	(350)
The Nemet Award	<u>-</u>	<u>(550)</u>	<u>-</u>	<u>(550)</u>
	<u>-</u>	<u>(900)</u>	<u>-</u>	<u>(900)</u>
TOTAL FUNDS	<u><u>2,190,404</u></u>	<u><u>(2,305,838)</u></u>	<u><u>29,422</u></u>	<u><u>(86,012)</u></u>

The Croxson Memorial Fund is used for organising presentations from prestigious speakers.

The BNC for NDT Fund is now depleted. Previously it funded an annual cross-institutional meeting.

The Halmshaw Award is an annual award to authors of the best paper published in the Institute's journal on any aspect of industrial radiography or radiology.

The Nemet Award recognises examples of outstandingly effective use of NDT, especially those that might encourage small firms to apply NDT methods for the first time.

18. EMPLOYEE BENEFIT OBLIGATIONS

The Institute contributes to a fully insured scheme for employees. The pension cost charge represents contributions payable by the Institute to the scheme and amounted to £92,246 (2020: £90,328).

19. RELATED PARTY DISCLOSURES

Certain Trustees on the Institute are also employees of the following companies:-

Institution of Mechanical Engineers
TWI
Skills Training UK

The Institute provided services totalling £218,583 to these companies in the year.

Total services provided to the Institute from these companies in the year was £704.

At the year end the Institute was owed £33,987 by these companies.

At the year end the Institute owed £nil to these companies.

All transactions are carried out at arms length on normal commercial terms.

20. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities, assist with the preparation of the financial statements and to provide payroll services.

21. ULTIMATE CONTROLLING PARTY

The Institute is a company limited by guarantee and does not have a share capital. Its activities are administered by a Council, no member of which receives any remuneration for his or her services.

The Institute is under the ultimate control of its membership.

THE BRITISH INSTITUTE OF NON-DESTRUCTIVE TESTING LIMITED

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Investment income		
Rental income	56,475	54,482
Interest receivable	-	8
	<u>56,475</u>	<u>54,490</u>
Charitable activities		
Subscriptions	218,832	217,328
IAQP	3,795	5,438
Journal advertising income	39,437	26,464
Publications advertising income	30,748	34,484
Sale of books and insignia	27,060	16,477
Journal subscriptions	11,280	16,809
Condition monitor	292	10
Conference and seminar receipts	23,415	3,705
End-Point Assessment	63,900	22,530
Other income	6,070	1,931
Certification activities	2,071,389	1,760,718
Government grants	-	21,818
Branch income	<u>2,140</u>	<u>8,202</u>
	<u>2,498,358</u>	<u>2,135,914</u>
Total incoming resources	2,554,833	2,190,404
EXPENDITURE		
Investment management costs		
Investment management costs	7,805	6,824
Charitable activities		
Wages	1,091,618	1,116,779
Social security	105,249	108,896
Pension costs	92,246	90,328
Other staff benefits	35,658	36,415
Journal production costs	153,620	152,579
Publication costs	110,596	109,560
Website/electronic publishing	29,589	29,808
Cost of books and insignia	15,035	3,438
Conference expenses	14,266	8,215
Branch costs	2,860	7,029
European and international affairs	898	9,619
UKAS fees	15,092	13,752
PCN audit fees	127,378	111,757
PED Solution project costs	84,384	-
Carried forward	<u>1,878,489</u>	<u>1,798,175</u>

THE BRITISH INSTITUTE OF NON-DESTRUCTIVE TESTING LIMITED

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Charitable activities		
Brought forward	1,878,489	1,798,175
Awards	4,765	4,165
Other certification services	219,291	22,947
Legal costs	4,258	9,410
Staff costs	5,414	4,651
Marketing	3,400	9,862
Meeting expenses	3,666	12,017
Staff training	6,791	3,760
End-Point Assessment costs	<u>15,186</u>	<u>7,161</u>
	2,141,260	1,872,148
Support costs		
Management		
Telephone	16,882	19,394
Postage and stationery	38,756	48,961
Sundry expenses	17,797	18,810
Computer costs	110,736	100,639
Bad debts	(1,575)	(1,419)
Premises, facilities and insurance costs	76,944	90,590
Depreciation	<u>96,131</u>	<u>107,289</u>
	355,671	384,264
Finance		
Bank charges	27,763	23,069
Governance costs		
Auditors' remuneration	5,790	5,620
Auditors' remuneration for non audit work	<u>11,948</u>	<u>13,913</u>
	<u>17,738</u>	<u>19,533</u>
Total resources expended	<u>2,550,237</u>	<u>2,305,838</u>
Net income/(expenditure) before gains and losses	4,596	(115,434)
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	<u>65,712</u>	<u>29,422</u>
Net income/(expenditure)	<u><u>70,308</u></u>	<u><u>(86,012)</u></u>