

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

**Report of the Trustees and
Financial Statements for the Year Ended 30 September 2020
for
INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY**

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

**Contents of the Financial Statements
For the Year Ended 30 September 2020**

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INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Report of the Trustees (incorporating the Directors' Report) for the Year Ended 30 September 2020

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 September 2020. The Trustees have adopted the provisions of the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Report Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Governing document

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

Registered Company number

930776 (England and Wales)

Registered Charity number

1121681

Registered office

5 Cambridge Court
210 Shepherds Bush Road
London
W6 7NJ

Trustees

M Bell	(Vice President)	
I Blakemore	(Hon Treasurer & Finance Committee Chair)	
J M Cooper	(Chair, Scientific Committee)	Resigned 31.03.20
R Frazier	(Chair, Education & Careers Forum)	
C R Gilbert-Wood	(Chair, Scientific Committee)	Appointed 31.03.20
D S T Gregory	(President until 31.03.20, Past President from 31.03.20)	
J M Hawronskyj	(Chair, Professional Development Forum)	Resigned 31.03.20
T A M Hollands	(Hon Secretary)	
C E Leadley	(Chair, Publications)	Appointed 31.03.20
H Munday	(President Elect until 31.03.20, President from 31.03.20)	
J M O'Brien	(Chair, External Affairs Group)	Appointed 31.03.20
M F Patterson	(Chair, Publications Committee)	Resigned 31.03.20
H R Taylor	(Chair, Professional Development)	Appointed 31.03.20

Chief Executive & Company Secretary

J W Poole

Senior Management

A Gardner
D Kendale (appointed 07.09.20)
R Ward

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Auditor

Moore Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

Professional advisors

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

Investment Managers
Cazenove Capital
12 Moorgate
London
EC2R 6DA

STRUCTURE, GOVERNANCE AND MANAGEMENT

Appointment and training of new Trustees

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

Formal training is offered to new Trustees and governance training is included at the April Board meeting. Opportunities for external Trustee training are highlighted to the Trustees. Literature relating to good governance is available for Trustees to download from IFST's website. Directors' and officers' liability insurance is maintained.

PUBLIC BENEFIT STATEMENT

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

Organisational Structure

The Board is advised by a Finance Committee, Forums, Standing Committees and Advisory Groups. Each Committee is chaired by a Trustee and members of Committees are members of the Institute.

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

The Trustees have delegated to the Chief Executive the responsibility for the day to day operation of the charity. The pay and remuneration of key management personnel including the Chief Executive is set by the Remuneration Committee. An informal benchmarking exercise is carried out on a regular basis with similar organisations to ensure IFST pay and remuneration remains marketable and fair.

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Risk review

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

The key risks highlighted through this process include risks associated with:

- The Institute's financial security, its financial assets and especially relating to the income generated through its publications as the market moves to open access and other streams
- The safe-keeping and appropriate use of the Institute's various forms of data, and IT security
- The safe-keeping of the McLachlan Collection (books and documents donated to IFST by Tom McLachlan in the 1970s)
- Retaining the Institute's members and their active participation
- The uptake of accreditation and professional recognition schemes
- The protection of the Institute's name and reputation
- Human resources, pension costs and the profile and performance of the Institute's employees

Impact of COVID-19 Pandemic

The COVID-19 pandemic has limited the ability of the Institute to deliver some plans but much of its business activity has continued unaffected, albeit online. The schedule of events, for example, which would have relied on physical meetings, has shifted entirely online; while event income has significantly reduced, so has the cost of running events. The IFST executive transitioned as seamlessly as possible to remote working.

The Board of Trustees has since reviewed and updated the risk register in the light of the impact of COVID-19.

REVIEW OF IFST OBJECTIVES AND ACTIVITIES

The objective for which the Institute is established is the general advancement and application of food science and technology, for the benefit, safety and health of the public. Each year the Board undertakes a strategic review; in 2019-20 IFST worked towards six strategic priorities to enable it to achieve this objective.

Significant activities and achievements during 2019-2020

1) Engagement through communications and knowledge sharing

The Institute will strive to extend the sharing of relevant, accessible food science and technology knowledge amongst its members and to its chosen stakeholder groups

Readership of the Institute's quarterly *Food Science & Technology* magazine remains strong: members receive the magazine as part of their membership package; other individuals, libraries and organisations may receive the magazine as a paid-for subscription. Its content is available open access online. Each issue of the magazine is themed by the Editor around an area of interest agreed with the IFST's Publishing Group and the Editorial Board. In 2019-2020 the themes included food structure; innovation and collaboration; food and climate change; and plant-based diets. Management and hosting of the online version of the magazine moved to the Institute's publisher in March 2020, so it now sits alongside IFST's other publications on the same platform. For the four months to end August, the average monthly online visitors was 1,541, with 3,393 page views, a decrease from the previous year which has been put down to the move to the new platform and use of different reporting tools (2019: 4,482).

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International Journal of Food Science & Technology, the Institute's peer-reviewed academic journal published by Wiley, has performed very well again, achieving an impact factor of 2.774 (2019: 2.281). This is expected to remain stable or increase slightly again in the coming year. Developments around open access publishing have been identified as a risk and are being closely monitored by the Publications Group and Board.

IFST has published 31 Information Statements, including a new one on Food Waste (2019: 30). Another four Information Statements are in the final stages of publication approval (Cyclospora (Cryptosporidium); Dioxins in Food and Feed; Avian Influenza and food; and Cannabidiol (CBD)) with others being prioritised for development.

There are now eight 'Food Science Fact Sheets' in IFST's consumer/public facing information series, with recent additions on Food Waste, Food Hygiene Ratings, Food Allergy, and Food and Drink Packaging.

Sales of the 2020 edition of the *Handbook of Microbiological Criteria for Foods*, which has been published in hard copy and as an e-book, have gone very well, already requiring a second print run.

Plans to hold the IFST Spring Conference 2020 at Imperial College, London on 1 April 2020 were dropped in mid-March in favour of online delivery as the impact of COVID-19 was becoming clearer. Keynote speakers from the original 'Appliance of Food Science' programme were kind enough to deliver their sessions as part of a new open access webinar series, which also included Coronavirus-related content. Take-up of the webinar series exceeded expectations, attracting 1800+ attendees (2019: 214) from 50+ countries.

In response to the pandemic, the Institute formed a COVID-19 Advisory Group which met twice per week during the peak of the pandemic. Its role was to highlight and appraise critical issues for the professional community and to curate reliable online content (either generated by IFST or from other sources) which was then made freely available for food businesses and the general public via a specially created COVID-19 Hub hosted in the IFST website.

The normal schedule of branch organised events was curtailed due to COVID-19 but local events did run before March 2020, including 'A Vegan Christmas - Meat: The Ghost of Christmas Past', a visit to the National Bakery School, London, and 'The Scientific Secrets of the Best Mince Pies this Christmas'. Eastern Branch ran a conference (October 2019) on 'Hygienic design in food processing environments' in collaboration with European Hygienic Engineering & Design Group (EHEDG).

Through its SIGs and Working Groups, IFST ran other events such as 'A Collaborative Workshop on Allergens & Listeria' (Food Safety Group), 'Noel, Narrative & Numbers' (Sensory Science Group), 'Flexitarian to vegan: nutritional impacts of lifestyle choices' (Food Science & Nutrition Group). Since COVID-19 has impacted, the Institute's SIGs and Working Groups have embraced the switch to online delivery, arranging 10 webinars on topics ranging from nutrient density to artificial intelligence. Online delivery has enabled many more people to attend these events (1,900+) than in previous years (2018: 250).

Social media reach continued to grow and visitor numbers to the IFST website remained strong, averaging at around 28,000 unique visitor sessions per month (2019: 24,000).

Work to catalogue the McLachlan Collection has been completed and the Board of trustees has agreed to plans to permanently house the collection in the IFST offices. Plans are being made to store and display the collection, and to facilitate access by members and interested researchers.

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2) Influencing key stakeholders

The Institute will increasingly use its unique, independent, evidence-based voice to influence key stakeholders on relevant food science and technology related topics

IFST executive team efforts have increased our profile with multiple layers of engagement across Food Standards Agency teams, closer technical working with both Food Standards Agency (FSA) and Foods Standards Scotland (FSS), a higher level of presence within Department for Business, Energy & Industrial Strategy (BEIS), Office for Product Safety and Standards (OPSS) expert panels and continued engagement with Defra in their National Food Strategy and science activities.

IFST continues to meet routinely at various levels with Nutrition Society, Association for Nutrition, British Nutrition Foundation, and British Dietetic Association. IFST has ongoing relationships with other organisations where there is opportunity to progress joint working arrangements that are in pursuit of our charitable object. These include Campden BRI, Food & Drink Federation, SOFHT, EHEDG, IGD, REHIS, RSPH and CIEH.

We continue to support the UKRI KTN Food Sector Group with updates on IFST activities and will be co-supervising an intern project to collect food education and careers resources for IFST to curate on its Love Food Love Science platform. Connections have grown with key research groups including partnering with the Food BioSystems DTP program, membership of the STFC Food Network steering committee and of a COVID-19 Food System Impacts research project expert panel.

The External Affairs Group has now been formally established as an IFST governance group to provide guidance to the Board and executive concerning its external engagement and policy setting. Guidance on engagement principles and format for policy positions have been agreed. A horizon scanning exercise has been initiated with the Scientific Committee to inform prioritisation of policy areas where IFST can positively engage externally.

The IFST Sustainability Steering Group are advising on developments and making recommendations for development of resources to facilitate understanding and equip members. New food waste knowledge resources and a webinar series are the first outputs and workshops to provide training on materiality assessments planned for 2021.

The work within the Food Risk Management Systems Working Group has created or co-created a successful set of 'new technologies' webinars addressing digitisation, artificial intelligence, remote auditing and robotics. The digital readiness level tool developed by MTC/Digital Catapult was promoted and shared for free for members and information statements are being drafted on risk analysis and principles for successful food risk management technology. The Group are now focusing on food business operator competency as part of their license to operate and on fit-for-the-future paradigms for verification of risk management with a white paper being drafted for publication.

IFST is in close contact with the FSA team progressing their new regulatory reform programme Achieving Business Compliance and continuing to monitor Brexit developments to see where technical briefing advice might be of value to support food technical professionals on issues arising.

IFST continues to aspire to develop its international influence, guided by its International Advisory Group, through relationships with IFT, SAAFoST, and other international bodies, but the limited opportunities for travel and economic pressures felt by other organisations in response to COVID-19 have constrained our work in this area.

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3) Professional standards and development

The Institute will continue to grow its critical role in setting and accrediting professional standards for food scientists and technologists.

Under license from Science Council, the Institute has 179 Chartered Scientists (2019: 180), 65 Registered Scientists (2019: 79) and one Registered Science Technician (2018: 4). Chartered Scientists numbers appear to be declining through normal retirement. Perceptions around the value of cross-discipline professional registers and general awareness of these registers may also be factors. IFST has significantly stepped up promotional work in this area to mitigate this trend. It is committed to supporting the Science Council to ensure the registers remain relevant and that licensed bodies like IFST have the information and relevant collateral they need to help them promote professional registration and attract registrants.

The Register of Sensory Professionals has 19 registrants (2019: 18). This Register is linked to Chartered Scientist.

The Institute has continued to promote the multi-level Register of Food Safety Professionals to both individuals and organisations. The adoption of the register by Food Standards Scotland has increased the numbers of registrants: 232 (2019: 159).

There were 128 registrants on the Register of Professional Food Auditors and Mentors (2019: 111).

In collaboration with the Safe and Local Supplier Approval Scheme (SALSA) certification scheme, 61 SALSA HACCP (level 2) certificates were awarded (2019: 54).

192 certificates were issued to candidates who successfully completed training at an accredited centre (2019: 290), significantly fewer in the second part of the year as training was curtailed by COVID-19.

The degree accreditation scheme for undergraduate and postgraduate degree courses in food science and technology has attracted new applications, with a current total of 46 degree courses accredited from 24 providers (2019: 43 and 20).

MyCPD, IFST's Continuing Professional Development (CPD) recording system allowing registrants to record their CPD online, was used by more than 150 people (2019: 125) to log and submit their CPD for review to satisfy continuing registration requirements.

No complaints about the professional conduct of members under the *Code of Professional Conduct* and Disciplinary Procedures were received (2019: 0).

4) Membership enrolment, participation and retention

The Institute is committed to increasing the number of its members in a balanced way across all categories of membership and encouraging members' active participation in its activities to further their own career development and contribute to the Institute's activities.

The number of members is continuing to hold steady and now stands at 2,807 (2019: 2,858). As in previous years there has been some movement between member categories, as Associates upgrade to Member, and Member to Fellow but also growth in the number of Student members. The membership comprises:

Fellows: 634 (2019: 622)
Members: 868 (2019: 909)
Associates: 709 (2019: 764)
Students: 596 (2019: 570)

IFST has continued to develop schemes where organisations fund employee's memberships on a group basis.

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One appeal against a decision not to elect an applicant as a Fellow was handled and upheld in the period (2019: 0).

IFST is hugely grateful to the 250 or more members who regularly contribute in some capacity, such as serving on a committee, helping with policy development, responding to consultations, presenting at events, and writing for publications. Plans to hold a 'Members' Day' at the end of March 2020, which would have been an opportunity for members to network with other members and learn more about the branches, SIGs, Working Groups, Committees and to celebrate success were cancelled due to COVID-19. Instead, the celebratory aspects were included in the Annual General Meeting, which was held online on 31 March 2020, when Hon Fellowships were awarded to Sterling Crew, Maureen Edmondson, and Margaret Patterson and the 2020 Impact Award was presented to both the Northern Ireland branch for their work on 20th International Conference on Campylobacter, Helicobacter & Related Organisms (CHRO) and to Eastern branch for the Conference on Hygienic Design of Food Processing in partnership with the European Hygienic Engineering Design Group (EHEDG); and the National Centre for Food Manufacturing, University of Lincoln.

5) Careers and education support and promotion

The Institute will strive to ensure that a stream of new talent enters the food profession and that students, together with their learning institutions, are actively engaged with and supported by the Institute. We will also promote food science and technology as an excellent career option

Love Food Love Science, the website resource for secondary school teachers continues to achieve strong results, with over 195,000 unique visitors (2019: 150,000). Plans are being made to capitalise on the success of the site and to enhance existing and develop new resources.

Understandably, IFST's outreach and engagement activities aimed at school-age students to encourage the next generation of food scientists and technologists into the sector were curtailed due to COVID-19.

The Institute did manage to complete its programme of Student Career Launch Pad events aimed at food science degree students. Events were held in collaboration with Campden BRI, University of Reading, University of Sheffield, AFBI, Leatherhead, and SSERC. Around 398 (2019: 437) university students attended to learn more about the roles available to them within the food sector.

In collaboration with Campden BRI, IFST continues to support 'Ecotrophelia', an EU-wide 'Dragons' Den'-type competition for teams of university students. The 2020 UK competition still attracted 10 teams from 6 universities (2019: 11 and 7) despite pandemic restrictions. The UK heat was conducted online with teams presenting high quality products to a high-profile panel of 'dragons'. The competition and winners attracted a good deal of media attention and represented the UK in the European online final in October 2020.

The 2019-20 POST Fellow was Emily Prpa who has explored reformulation of food products. Her POSTnote is due to be published later in 2020 and marks the culmination of three months' research while working at the Parliamentary Office of Science and Technology (POST), supported by a grant from IFST.

Although university student activities were curtailed, through its Student Group and network of university student representatives IFST continued to promote food science and technology as an exciting and rewarding career choice to young people. IFST has continued to promote food science and technology as a valuable and exciting profession through travel bursaries, open to students and post-graduates aiming to attend or present at conferences; and sponsorship of university student awards.

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The Institute continues to develop relationships with other organisations, such as KTN and EiT, to promote food science and technology careers in the sector. Through its relationship with Food Matters Live, IFST became a key supporter for a new initiative, Food Matters Careers, which bring together students, academia, and the sector for one-to-one meetings, job vacancies, roundtables, live events and webinars.

The Institute contributed to the development of the new T-level qualification and assessment through its relationships with NCFE, holder the contract with the Institute for Apprenticeships and Technical Education for delivery of the Health, Healthcare Science and Science T-levels, and with Ofqual. IFST has continued to support the adoption of apprenticeships by employers and young people and increasingly will incorporate apprenticeships into professional development pathways.

6) Financial stability and sustainability

The Institute will ensure it has sustainable income streams by commitment to priorities 1 to 5 above and by continuing to develop new products/services that meet the changing needs of members and the sector generally. These will all be underpinned by effective cost control and sound financial and risk management.

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

A joint Education and Careers and Professional Development Forum was held in December 2019, bringing together the representatives from IFST's different assessment panels, SALSA, and the Student Group with the aim of calibrating definitions of 'food science and technology' and identifying opportunities to align approaches. Further work is being planned to take this forward.

IFST was well on its way to facilitating remote working by the executive team in early 2020, so by the time COVID-19 began to have an impact the team had been setup and trained to work remotely. New patterns of interaction and team meetings were established to smooth the transition to remote working and manage the 'dislocation'. The executive team has continued to perform at a high level and, barring some issues with telephone connectivity, service has not been adversely affected.

Planned work on the IFST website and database to improve user experience and streamline back office systems made limited progress during the year. A review of database code and technical support has been completed and, as a result, new arrangements are being put in place for web and database hosting and support, and to take forward database development work.

IFST experienced relatively high churn in the executive team during the first nine months of the year, attributable mainly to two admin team roles, maternity cover, and COVID-19 affecting an employee's family life. IFST also took on a small number of interns during the period to support specific projects. Remuneration Committee has conducted a light-touch benchmarking exercise to ensure executive pay and reward remain appropriate. To respond to the Board's desire for more marketing and development capacity and capability, a new Business Development Director was appointed in September 2020.

Plans to redecorate the office were expedited so that work on the office could be completed while employees continued to work remotely. The office has been repainted and carpeted, has a new kitchen, and has been made COVID-19 secure. A gradual return to the office is anticipated in the coming months, as government advice allows, mainly for face-to-face meetings and collaboration but there is no expectation that routine office working will return to how it was pre-COVID-19.

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Diversity, equity and inclusion

The Institute is a signatory to the Science Council Declaration on Diversity, Equality and Inclusion. The Hon Secretary is the Board 'champion' on these matters. IFST continues to work with the Science Council to improve representation, equity, and inclusivity. All members of the executive team completed unconscious bias training during the period.

Environmental Impact

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

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

FINANCIAL REVIEW

Principal funding sources

The major income streams were publications £427,704 (2019: £400,093) followed by membership administration £195,123 (2019: £208,708). Significant income was also generated from education and accreditation activities.

Reserves Policy

At the year end, the charity's reserves stood at £1,609,843 (2019: £1,615,639), within which the Trustees identified two areas (where designated reserves totalling £301,627 have been established for specific purposes) in addition to the general reserve which supports the overall running of the charity (see note 17).

The premises renovation & equipment reserve is held for repairs and renovations to the office and meeting space at 5 Cambridge Court. The Trustees reviewed the reserves in 2020 and agreed it would be prudent to hold a minimum reserve of £510,000 in any one year and that, in addition, a further £1,200,000 should be held for longer term exceptional risks as identified in the risk register. The reserves policy takes account of risks and opportunities faced by the charity, the number and sources of income, security of income, level of expenditure commitment and other liabilities to ensure reserves continue to represent sufficient mitigation to foreseeable risks and are not excessive.

Investment Policy

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

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

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The Trustees recognise that they are not in a position to trade on a frequent basis and have delegated discretionary management of the portfolio to investment managers Cazenove Capital who will invest in a balanced medium risk portfolio. The Trustees have issued detailed investment policy guidance to the investment managers.

Investment Performance

During the year the value of the investments increased by £16,658, this includes realised losses of £49,720 and unrealised gains of £49,303.

Fundraising

On occasion, we are lucky enough to receive voluntary funds from trusts, foundations and individuals as income that helps us to fulfil our charitable objectives.

The executive team administers any voluntary income received in this way but we do not actively fundraise. We do not engage external professional fundraisers or commercial participators to carry out fundraising activity nor do we engage in face-to-face or telephone fundraising. In developing our approach to fundraising we have taken account of the Code of Fundraising Practice issued by the Fundraising Regulator and ensure that vulnerable people are not unduly targeted by our fundraising. The charity has received no complaints about its fundraising activities either during the financial year or subsequently.

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

PLANS FOR FUTURE PERIODS

The Board of Trustees has agreed a business plan for the period October 2020-September 2021 focused on the following, slightly amended, six strategic priorities:-

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

- Significantly increase uptake and utilisation of materials and resources – promote availability and quality/through social media and member communications
- Equal focus on curation of others' trusted resources as our own generated content
- Resolve search functionality for online resources
- Focus on online events to open access to wider audience including outside UK
- Bring physical events back on stream once safe to do so but integrate with online events

2. Influencing and supporting key stakeholders

- Consolidate and build on current new relationships with Governmental departments
- Position IFST as the 'must-go-to' source for key themes/areas of policy
- Demonstrate leadership by identifying key policy positions through new External Affairs Group – informed by outputs from horizon scanning
- Identify and develop events primarily focused on us leading and influencing our positions and debate
- Chartership – progress as directed by Privy Council – but also identify our weaknesses and actively seek to resolve with planned resource

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3. Promoting professional standards and development

- Develop campaigns to promote the value and benefits of professional recognition
- Seek key drivers (e.g. retailers, regulators, standards bodies) to force the speed of change for the Food Safety Register
- Embed new Business Development Director role to boost our business development capability
- Continue to pursue larger group schemes – identify and pursue prime targets
- Redevelop MyCPD system to provide a valuable additional facility to be able offer

4. Utilising and growing the strength of our membership

- Develop plans for P4000 but move emphasis to financial security (see Priority 6)
- Shift focus from quantity to quality by targeting key sector influencers and personnel, ensuring we appeal to their needs and the needs of the sector
- Develop online resources which enable our members to easily interact with one another
- Increase the relevance of our networks (currently SIGs and Branches) so that they are fit for the needs of members and facilitate easy collaboration of our members in achieving our goals (also Priority 6 – Governance review)
- Plan and undertake wholesale membership survey
- Renew our diversity and inclusion work to align to Science Council benchmarking

5. Encouraging and supporting our future talent

- Demonstrate leadership by undertaking research (properly resourced) so that IFST is the primary source of information relating to future talent and skills needs the sector – (linked to Priority 2)
- Focus student engagement on true needs not just activity driven
- Develop useful and relevant support and resources for other career paths e.g. Apprenticeships, direct entry etc
- Continue to promote course accreditations

6. Financial stability, effective governance and sustainability

- Work with our publishers, Wiley, to agree how to actively manage the transition of IJFST to Open Access
- Develop project plan and start delivery of Project 4000 and explore other alternative income streams to offset any income shortfall
- Introduce a team climate survey
- Undertake a third tier governance review

RELATED PARTIES

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

GOING CONCERN – IMPACT OF COVID-19

Like every business, the Institute has been affected by the lockdown and other restrictions. As noted above, a significant proportion of IFST's income comes from publishing and membership activity, which have held up very well since the early stages of COVID-19 and are expected to continue to be insulated from any significant impacts, whether directly or because of a wider economic downturn. Accreditation activities may be affected in the medium term as the HE sector adjusts to the loss of international students and any further fallout from COVID-19 on student numbers and operating costs, and the trustees will monitor and plan for this. As noted above, income generating event activity has been limited but so has the cost of running physical meetings.

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

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

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

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

Auditor

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

Small company provisions

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

Signed on behalf of the Trustees

.....
Ian Blakemore
Trustee

Approved by the Trustees on

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

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

Opinion

We have audited the financial statements of Institute of Food Science and Technology (the 'charitable company') for the Year Ended 30 September 2020 which comprise the Statement of Financial Activities, the Charitable Company Balance Sheet, the Charitable Company Cash Flow Statements 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, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2020 and of the entity's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

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

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

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

Use of our report

This report is made solely to the charitable company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company’s members those matters which we are required to state to them in an auditor’s report addressed to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

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

Date:
Devonshire House
60 Goswell Road
London
EC1M 7AD

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 30 September 2020**

	Notes	2020 Unrestricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM:				
Donations:				
Fundraising		-	-	2,000
Charitable activities:				
Publishing	3	427,704	427,704	400,093
Education		22,393	22,393	36,239
Accreditation		64,178	64,178	86,067
Membership subscription		195,123	195,123	208,708
Sponsorship		8,700	8,700	8,700
Investments:				
Investment income	2	<u>26,460</u>	<u>26,460</u>	<u>23,237</u>
Total income		<u>744,558</u>	<u>744,558</u>	<u>765,044</u>
EXPENDITURE ON				
Raising funds:				
Investment management costs	4	9,315	9,315	10,577
Charitable activities:				
Publishing	5	51,362	51,362	49,853
Education		252,759	252,759	269,970
Accreditation		113,684	113,684	105,659
Membership administration		242,952	242,952	242,185
Other		<u>64,993</u>	<u>64,993</u>	<u>57,314</u>
Total expenditure		<u>735,065</u>	<u>735,065</u>	<u>735,558</u>
Net operating income		9,493	9,493	29,486
Net (losses)/gains on investments		<u>(417)</u>	<u>(417)</u>	<u>36,451</u>
Net income for the year		<u>9,076</u>	<u>9,076</u>	<u>65,937</u>
Other recognised gains/(losses):				
Actuarial losses on defined benefit pension schemes		(14,872)	(14,872)	(7,656)
Net movement in funds		(5,796)	(5,796)	58,281
RECONCILIATION OF FUNDS				
Total funds brought forward		<u>1,615,639</u>	<u>1,615,639</u>	<u>1,557,358</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,609,843</u>	<u>1,609,843</u>	<u>1,615,639</u>

All amounts relate to continuing activities.

All income and expenditure in 2020 and 2019 related to unrestricted activities.

The notes on pages 21 – 31 form part of these financial statements.

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY**Balance Sheet as at 30 September 2020**

	Notes	2020 Total funds £	2019 Total funds £
FIXED ASSETS			
Intangible assets	10	66,594	99,528
Tangible assets	11	185,033	179,066
Investments	12	1,345,589	1,328,931
		<hr/>	<hr/>
		1,597,216	1,607,525
 CURRENT ASSETS			
Debtors	13	28,639	104,270
Cash at bank		245,325	70,028
		<hr/>	<hr/>
		273,964	174,298
 CREDITORS			
Amounts falling due within one year	14	(203,517)	(123,094)
		<hr/>	<hr/>
NET CURRENT ASSETS		70,447	51,204
 TOTAL ASSETS LESS CURRENT LIABILITIES		1,667,663	1,658,729
 Defined benefit pension scheme liability	15	(57,820)	(43,090)
		<hr/>	<hr/>
NET ASSETS		1,609,843	1,615,639
		<hr/> <hr/>	<hr/> <hr/>
 FUNDS			
Unrestricted funds	17	1,609,843	1,615,639
		<hr/>	<hr/>
TOTAL FUNDS		1,609,843	1,615,639
		<hr/> <hr/>	<hr/> <hr/>

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

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

.....

Ian Blakemore
Trustee

The notes on pages 21 – 31 form part of these financial statements.

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Cash flow Statement

For the Year Ended 30 September 2020

	Total funds	Prior year funds
	£	£
Cash flows from operating activities:		
Net cash provided by operating activities	<u>179,751</u>	<u>(49,227)</u>
Cash flows provided by/(used in) investing activities:		
Investments, dividends and interest income	26,460	23,237
Purchase of intangible fixed assets	-	(23,767)
Purchase of tangible fixed assets	(13,839)	(19,142)
Proceeds from the sale of investments	1,436,055	267,943
Purchase of investments	(1,397,989)	(272,904)
Movement in cash held by investment manager	<u>(55,141)</u>	<u>(7,695)</u>
Net cash (used in)/provided by investing activities	<u>(4,454)</u>	<u>(32,328)</u>
Change in cash and cash equivalents in the reporting period	175,297	(81,555)
Cash and cash equivalents at the beginning of the reporting period	<u>70,028</u>	<u>151,583</u>
Cash and cash equivalents at the end of the reporting period	<u>245,325</u>	<u>70,028</u>

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

	Current Year	Prior Year
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(5,796)	58,281
Adjustments for:		
Depreciation and amortisation	40,806	6,779
Losses/(gains) on investments	417	(36,451)
Investments, dividends and interest income	(26,460)	(23,237)
Increase/(decrease) in debtors	75,631	(78,050)
Decrease in creditors	80,281	15,795
Movement in pension liability	<u>14,872</u>	<u>7,656</u>
Net cash used in operating activities	<u>179,751</u>	<u>(49,227)</u>

Analysis of cash and cash equivalents

	Current Year	Prior Year
	£	£
Cash in hand	<u>245,325</u>	<u>70,028</u>
Total cash and cash equivalents	<u>245,325</u>	<u>70,028</u>

1. ACCOUNTING POLICIES

Company information

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

Accounting convention

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

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

Going concern

The trustees have prepared forecasts for the foreseeable future and consider it appropriate to prepare the accounts on a going concern basis. Like every business, the Institute has been affected by the lockdown and other restrictions. A significant proportion of IFST's income comes from publishing and membership activity, which have held up very well since the early stages of COVID-19 and are expected to continue to be insulated from any significant impacts, whether directly or because of a wider economic downturn. Accreditation activities may be affected in the medium term as the HE sector adjusts to the loss of international students and any further fallout from COVID-19 on student numbers and operating costs, and the trustees will monitor and plan for this. Income generating event activity has been limited but so has the cost of running physical meetings.

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

Income recognition

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

International Journal of Food Science Technology

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

Expenditure recognition

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

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

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

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

Intangible fixed assets

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

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

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

Tangible fixed assets

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

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

Gains/losses on investment assets

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

Financial instruments

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

With the exceptions of prepayments and accrued income, the social security and other taxes and VAT creditors, all other debtors and creditor balances are considered to be basic financial instruments under FRS102.

See notes 13 to 15 for the debtor and creditor notes.

Investments

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

Debtors

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

Creditors

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

Taxation

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

Funds

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

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

Defined benefit pension scheme

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

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

Critical accounting estimates and areas of judgement

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

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

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Notes to the Financial Statements for the Year Ended 30 September 2020

Heritage assets

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

2. INVESTMENT INCOME		2020	2019
		£	£
UK Investments, dividends and interest		26,460	23,237
		<u> </u>	<u> </u>
3. INCOME FROM CHARITABLE ACTIVITIES		2020	2019
	Activity	£	£
IJFST	Publishing	393,868	368,170
IJFST for members	Publishing	2,114	1,789
Food Science & Technology	Publishing	19,009	19,445
Other publications sales	Publishing	9,431	2,753
Advertising	Publishing	3,282	7,936
Events	Education	8,186	29,867
Awards	Education	1,750	401
MyCPD & employer schemes	Accreditation	7,561	11,945
SALSA	Accreditation	22,450	23,000
Other accreditation schemes	Accreditation	14,057	35,875
Science Council Registers	Accreditation	15,668	12,204
IFT/IFST	Accreditation	2,692	2,642
IFST Registers	Accreditation	14,207	6,372
Membership subscriptions	Membership subscription	195,123	208,708
Corporate sponsorship	Sponsorship	8,700	8,700
		718,098	739,807
		<u> </u>	<u> </u>
4. INVESTMENT MANAGEMENT COSTS		2020	2019
		£	£
Investment management fees		9,315	10,577
		<u> </u>	<u> </u>

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Notes to the Financial Statements for the Year Ended 30 September 2020

5. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs (See note 6) £	Totals 2020 £	Totals 2019 £
Publishing	18,866	32,496	51,362	49,853
Education	18,785	233,974	252,759	269,970
Accreditation	9,695	103,989	113,684	105,659
Membership administration	28,475	214,477	242,952	242,185
Other	-	64,993	64,993	57,314
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2020	75,821	649,929	725,750	724,981
Total 2019	151,841	573,140	724,981	

6. SUPPORT COSTS

Support costs are attributed as follows:

Basis of allocation

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

	2020 Total activities £	2019 Total activities £
Support costs comprise:		
Employment costs	494,405	424,916
Legal expenses	11,803	8,144
Other costs	102,915	133,300
Depreciation of tangible assets	7,872	6,779
Amortisation of intangible assets	32,934	-
	<hr/>	<hr/>
	649,929	573,139

7. NET INCOME

Net income is stated after charging:

	2020 £	2019 £
Auditor's remuneration - audit	6,900	6,700
Auditor's remuneration - non audit	2,000	1,450
Depreciation - owned assets	7,872	6,779
Amortisation - owned assets	32,934	-
	<hr/>	<hr/>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2020 nor for the year ended 30 September 2019.

Trustees' Expenses

Expenses of the trustees are reimbursed if they submit a claim. The total expenses for travel and subsistence reimbursed to five trustees (2019: eight) during the year were £1,949 (2019: £9,464).

9. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	418,520	356,587
Social security costs	39,210	34,262
Pension	31,571	28,652
	<u>489,301</u>	<u>419,501</u>

	2020	2019
Average number of employees during the year	13	11

The number of employees whose emoluments excluding employers' pensions contributions amount to over £60,000 in the year was as follows:

	2020	2019
£70,000 - £80,000	1	1

Pension contributions in relation to the individual above totalled £14,527 (2019: £12,656).

Key management personnel comprise of three members of senior management (2019: 2) and the Chief Executive. The total benefits received by key management personnel in the year amounted to £200,448 (2019: £158,894).

10. INTANGIBLE FIXED ASSETS

	Website development costs £	Total £
COST		
At 1 October 2019 and 30 September 2020	<u>99,528</u>	<u>99,528</u>
AMORTISATION		
At 1 October 2019	-	-
Charge for the year	32,934	32,934
At 30 September 2020	<u>32,934</u>	<u>32,934</u>
NET BOOK VALUE		
At 30 September 2020	<u>66,594</u>	<u>66,594</u>
At 30 September 2019	<u>99,528</u>	<u>99,528</u>

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Notes to the Financial Statements for the Year Ended 30 September 2020

11. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Office equipment £	Total £
COST				
At 1 October 2019	279,267	69,770	20,166	369,203
Additions	-	10,635	3,204	13,839
Disposals	-	-	(2,241)	(2,241)
	<u>279,267</u>	<u>80,405</u>	<u>21,129</u>	<u>380,801</u>
At 30 September 2020	279,267	80,405	21,129	380,801
DEPRECIATION				
At 1 October 2019	117,447	60,102	12,588	190,137
Disposals	-	-	(2,241)	(2,241)
Charge for year	3,810	2,144	1,918	7,872
	<u>121,257</u>	<u>62,246</u>	<u>12,265</u>	<u>195,768</u>
At 30 September 2020	121,257	62,246	12,265	195,768
NET BOOK VALUE				
At 30 September 2020	<u><u>158,010</u></u>	<u><u>18,159</u></u>	<u><u>8,863</u></u>	<u><u>185,033</u></u>
At 30 September 2019	<u><u>161,820</u></u>	<u><u>9,668</u></u>	<u><u>7,578</u></u>	<u><u>179,066</u></u>

12. FIXED ASSET INVESTMENTS

Listed investments	2020	2019
	£	£
MARKET VALUE		
At 1 October 2019	1,328,931	1,279,824
Additions at cost	1,397,989	272,904
Disposal proceeds	(1,436,055)	(267,943)
Realised losses on disposals	(49,720)	(6,134)
Unrealised gains on revaluation	49,303	42,585
Movement in investment broker's cash	55,141	7,695
	<u>1,345,589</u>	<u>1,328,931</u>
At 30 September 2020	1,345,589	1,328,931
Historical cost	1,187,019	1,156,182

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

Investment Name	Holding (in units)	Value £
SUTL Cazenove Charity Responsible	2,245,000	1,236,322
Investments consist of:		
	2020	2019
	£	£
Equity	1,236,320	1,274,803
Cash	109,269	54,128
	<u>1,345,589</u>	<u>1,328,931</u>

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Notes to the Financial Statements for the Year Ended 30 September 2020

12. FIXED ASSET INVESTMENTS (continued)

Geographical Analysis

	2020	2019
	£	£
United Kingdom investments	109,267	276,058
Overseas investments	1,236,322	1,052,873
	1,345,589	1,328,931

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	5,201	89,017
Prepayments and accrued income	23,438	15,253
	28,639	104,270

Included in the above are financial instruments of £5,201 (2019: £89,017).

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	19,949	12,763
Social security and other taxes	10,267	9,202
VAT creditors	542	14,803
Accruals and deferred income	172,326	86,035
Defined benefit pension liability	433	291
	203,517	123,094

Included in the above are financial instruments of £31,445 (2019: £27,570)

Included in the above is deferred income totalling £161,263 (2019: £71,519). The 2019 amount was fully released in the 2020 year.

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

	2020	2019
	£	£
Defined benefit pension liability	57,820	43,090

16. PENSION COMMITMENTS

Universities Superannuation Scheme (USS)

The total cost charged to the statement of financial activity was £31,571 (2018: £28,652) as shown in note 9. There was neither a prepayment nor an accrual at the end of the financial year in respect of these contributions.

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

	2020	2019
	£	£
DB pension liability falling due within one year	433	291
DB pension liability falling due after more than one year	57,820	43,090
Movement in DB pension liability in SOFA	14,872	7,656

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

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

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

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

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

16. PENSION COMMITMENTS (continued)

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

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

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

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

The current life expectancies on retirement at age 65 are:

	2020	2019
Males currently aged 65 (years)	24.4	24.6
Females currently aged 65 (years)	25.9	26.1
Males currently aged 45 (years)	26.3	26.6
Females currently aged 45 (years)	27.7	27.9

A new deficit recovery plan was put in place as part of the 2018 valuation which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2020 deficit recover liability reflects this plan. The liability figures have been produced using the following assumptions:

	2020	2019
Discount rate	2.59%	2.44%
Pension increases (CPI)	4.20%	2.11%

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Notes to the Financial Statements for the Year Ended 30 September 2020

17. MOVEMENT IN FUNDS

	At 01.10.19	Income	Expenditure	Net investment losses	Actuarial gain on pension	Transfers	At 30.09.20
	£	£	£	£		£	£
Unrestricted funds							
General fund	1,287,045	744,558	(735,065)	(417)	(14,872)	26,967	1,308,216
Fixed asset reserve	278,594	-	-	-	-	(26,967)	251,627
Premises renovation & equipment reserve	50,000	-	-	-	-	-	50,000
TOTAL FUNDS	1,615,639	744,558	(735,065)	(417)	(14,872)	-	1,609,843

	At 01.10.18	Income	Expenditure	Net investment gains	Actuarial gain on pension	Transfers	At 30.09.19
	£	£	£	£		£	£
Unrestricted funds							
General fund	1,264,894	765,044	(735,558)	36,451	(7,656)	(36,130)	1,287,045
Fixed asset reserve	242,464	-	-	-	-	36,130	278,594
Premises renovation & equipment reserve	50,000	-	-	-	-	-	50,000
TOTAL FUNDS	1,557,358	765,044	(735,558)	36,451	(7,656)	-	1,615,639

Unrestricted funds

The "Fixed Asset Reserve" is to fund the cost of the Charity's fixed assets, primarily the provision of an office for the Charity and associated activities. During the year a transfer of £26,967 was made from the General Fund to align the value of the reserve with the book value of fixed assets as set out in note 11.

The "Premises Renovation & Equipment Reserve" is to fund the cost of renovation and improvement of the charity's head office and office equipment, consisting of internal and external redecoration normally every two years with the option of more substantial work if needed every five-to-ten years. Please note that £10,635 was spent during the year on capital renovation work and has been included in fixed asset additions (2019: £10,742).

18. RELATED PARTY TRANSACTIONS

The charity received £22,450 (2019: £23,166) for the provision of accreditation services to Safe And Local Supplier Approval (SALSA). A balance of £nil was due at as at 30 September 2020 (2019: £5,650). This entity has one director in common with Institute of Food Science and Technology.

The entity received £2,735 (2019: £2,250) from 13 trustees (2019: 11) in the form of membership fees. There were no fees outstanding as at 30 September 2020 (2019: £Nil).

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Detailed Statement of Financial Activities for the Year Ended 30 September 2020

	2020 £	2019 £
INCOME FROM		
Donations:		
Fundraising	-	2,000
Charitable activities:		
IJFST	393,868	368,170
IJFST for members	2,114	1,789
Food Science & Technology	19,009	19,445
Advertising	3,282	7,936
Other publications sales	9,431	2,753
Awards	1,750	401
Events	8,186	29,868
My CPD & employer schemes	7,561	11,945
SALSA	22,450	23,000
Science Council Registers	15,668	12,204
IFT/IFST	2,692	2,642
IFST Registers	14,207	6,372
Other accreditation schemes	14,057	35,875
Membership subscriptions	195,123	208,708
Corporate sponsorship	8,700	8,700
Investments:		
Investment income	26,460	23,237
Total income	744,558	765,044
EXPENDITURE ON		
Raising funds:		
Investment management fees including support costs	9,315	10,577
Charitable activities:		
IJFST	(675)	1,061
Food Science & Technology	18,707	19,324
Other publication costs	834	811
Schools & Careers	4,945	7,815
Awards	2,687	15,723
Website (including database)	13,035	20,357
Events	11,153	39,504
External representation	5,555	7,561
MyCPD & employer schemes	4	109
SALSA	1,165	646
Other accreditation schemes	2,975	5,750
Science Council Register	6,288	14,887
IFT/IFST	(14)	6,730
IFST Registers	9,162	10,966
Branches and groups	-	523
Sundry member activities	-	75
Carried forward	85,136	162,419

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

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Detailed Statement of Financial Activities for the Year Ended 30 September 2020

	2020 £	2019 £
Brought forward	85,136	162,419
Governance costs		
Auditor's remuneration	6,900	6,700
Support costs		
Management		
Employment costs	494,405	424,917
Consultancy & outsourcing	13,695	20,873
Building maintenance & service	27,592	22,171
Office equipment maintenance	13,405	13,470
Committee expenses	15,655	32,458
Communications	18,094	23,334
Legal expenses	13,053	6,444
Irrecoverable VAT	6,324	15,994
Freehold property - Depreciation	5,954	4,874
Office Equipment - Depreciation	1,918	1,905
Website – Amortisation	32,934	-
Total expenditure	<u>735,065</u>	<u>735,558</u>
Net operating income	9,493	29,486
Net (losses)/gains on investments	(417)	36,451
Net income for the year	9,076	65,937
Other recognised gains/(losses):		
Actuarial losses on defined benefit pension schemes	(14,872)	(7,656)
Net (expenditure)/income	<u>(5,796)</u>	<u>58,281</u>

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