

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

**Report of the Trustees and
Financial Statements for the Year Ended 30 September 2011
for
INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY**

SATURDAY



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05/05/2012
COMPANIES HOUSE

**Chantrey Vellacott DFK LLP
Chartered Accountants and Statutory Auditor
Russell Square House
10-12 Russell Square
London
WC1B 5LF**

Institute of Food Science and Technology

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For the Year Ended 30 September 2011**

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INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Report of the Trustees for the Year Ended 30 September 2011

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 2011. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Governing document

The charity is controlled by its governing document, a deed of trust, 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

I Bartolo	(Chair, Scientific Committee)	- appointed 7.4.11
P Berryman	(Chair, Communications Committee)	- appointed 7.4.11
D G Boniface		- resigned 7.4.11
R Burt		- resigned 7.4.11
C Dennis	(President)	
A R Kent		- resigned 7.4.11
J C F Murray	(Hon Treasurer & Finance Committee Chair)	
M F Patterson	(Vice President)	
J Pearce	(Chair, Education & Careers Committee)	- appointed 7.4.11
C Phillips	(Immediate Past President)	
D A Rosie	(Chair, Professional Development Committee)	- appointed 7.4.11
S R Tomlinson	(Hon Secretary)	
A West	(Chair, Membership Committee)	- appointed 7.4.11
R A Wilbey		- resigned 7.4.11

Company Secretary

J W Poole

Senior Statutory Auditor

Helena Wilkinson

Auditor

Chantrey Vellacott DFK LLP
Chartered Accountants and Statutory Auditors
Russell Square House
10-12 Russell Square
London
WC1B 5LF

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Report of the Trustees for the Year Ended 30 September 2011

Professional advisors

Bankers
Lloyds TSB Bank plc
P O Box 1000
BX1 1LT

Stockbrokers
Barclays Wealth
1 Church Place
London EC14 5HP

Cater Allen Private Bank
21 Prescott Street
London E1 8RP

Solicitors
Penningtons
Bucklersbury House
83 Cannon Street
London EC4N 8PE

STRUCTURE, GOVERNANCE AND MANAGEMENT

Appointment and training of new Trustees

The President, President Elect, Vice President, Honorary Secretary and Honorary Treasurer 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. Chairmen of Standing Committees are nominated by the members of their respective Committees and their appointment as Trustee is ratified by the Board of Trustees.

Formal training is held annually and literature is available for Trustees to download from our website.

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 whom it aims to benefit are described below. All our 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 and 6 Standing Committees. 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 and elected by Members and Fellows, attends Board meetings, but may not vote.

The Trustees have delegated to the Chief Executive the responsibility for the day to day operation of the charity.

Related Parties

One of the regional organisations of the IFST is also associated with a charitable trust, with similar objectives.

Scottish Food Science and Technology Educational Trust

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Report of the Trustees for the Year Ended 30 September 2011

Risk review

The Board of Trustees undertook a thorough review during the year of the major strategic, business and operational risks that the charity faces and confirms that systems have been established to mitigate these risks

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 IFST has sought to achieve this objective by

- Improving the effectiveness and impact of IFST's publications
- Increasing external influence
- Increasing take up of its accreditation and CPD scheme
- Increasing membership and stakeholder engagement

Significant activities and achievements during 2010-2011

1) Improve effectiveness and impact of IFST's publications

International Journal of Food Science & Technology (IJFST)

During the year the Editor moved to Manchester Metropolitan University and the Editorial structure and processes were remodeled Additional Associate Editors have been appointed, providing more opportunity for attracting additional/new contributors During the year, the impact factor has risen to 1.223, an increase of 14%

Food Science & Technology

There was a special extended 25th Anniversary issue with commissioned papers on emerging and cutting edge technologies From September 2011, Food Science & Technology, the number of pages per issue has been increased to 66

Web based communications

The engagement of key audiences has been increased by development of members' scientific discussion forums and a new "Learning Zone" on our website for teachers and school pupils

Monthly figures for visitors to the IFST's website have increased to nearly 50,000, whilst the "Hot Spot" news feed increased to 17,000 visitors

2) Increase external influence

The Communications review was completed in early 2011 As a result of which our communications are more carefully planned and focused on engaging with key audiences Internal structures are in place which has enabled IFST to be more responsive in communications on current food science and technology topics

The 2-day Spring Conference on Allergens was oversubscribed and is available as a podcast A wide range of other lectures, seminars and other educational meetings were organised

A new events service "Food Events Online" was launched in January, which aims to provide users with a one-stop source of information on food conferences and meetings

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Report of the Trustees for the Year Ended 30 September 2011

IFST also published a graduate guide to careers in the food industry. Articles referencing IFST were published in 80 journals and online. New Facebook and LinkedIn pages have been launched.

IFST has collaborated with the Food & Drink Federation and Improve (the Sector Skills Council for the Food Industry) on a web based project to promote careers as a food scientist.

The Chief Executive was invited to join a new body, the Technician Council, created to raise the profile of technicians and provide professional recognition and development for those working in technician-based roles.

The Institute has worked hard to develop constructive dialogues and links with other related bodies. It continues to be a key contributor to UKFFoST, the body representing all UK food science related bodies, internationally. It has also provided key support to an Improve bid for Growth Innovation Funding relating to a scheme to raise the professionalism of the food sector.

Jointly with Food Manufacture magazine, IFST has agreed to support a series of technical conferences.

The Parliamentary Office of Science & Technology Fellowship was again awarded for 2010-11.

3) Increase take up of accreditation and CPD schemes

Employers' schemes

Contracts are under negotiation for IFST accreditation of 3 new employers' schemes.

Registers

The Chief Executive chaired the Science Council's New Registers Advisory Group, tasked with developing and launching Registered Scientist and Registered Technician qualifications across the science sector. Work continued on the development of a new register for food safety professionals, which will be launched as a pilot in conjunction with the national technician register (see above).

Accreditation of course providers

The number of food sensory training certificates issued increased to 258 and the number of accredited sensory course providers increased to 8.

IFST was the professional body partner to both Reading and Nottingham Universities in their successful bids to the BBSRC for an Advanced Training Partnership grant.

4) Increase membership

Membership of IFST increased in 2011 to 1920 (2010: 1891) members as at September 2011.

Two major employers have signed up to a new "group" membership scheme.

FINANCIAL REVIEW

Principal funding sources

The major income streams were publications £262,637 (2010: £277,875) followed by membership, accreditation and administration £172,788 (2010: £158,187). Significant income was also generated from accreditation activities and from investments.

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Report of the Trustees for the Year Ended 30 September 2011

Reserves Policy

At the year end, the charity's reserves stood at £1,138,912 (2010 £1,138,448), within which the Trustees identified 2 areas, where designated reserves totalling £281,191 have been established for specific purposes, in addition to the general reserve which supports the overall running of the charity (see note 16). The General Reserve will be maintained at a level of 100 – 200 percent of annual expenditure, and the actual reserve represents 166% of this level.

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 not less £20,000 and the increase in capital value will be at least 3% per annum above RPI expressed as a rolling 3 year average. Investment income has been generated in accordance with this policy. The new policy of discretionary management by Barclays Wealth has only been operative for 1 year, so it is premature to judge its ability to meet these guidelines.

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 stockbrokers Barclays Wealth who will invest in a balanced medium risk portfolio.

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 which should maintain capital after the effects of inflation and more significant fluctuations in capital are possible.

Investment Performance

The Stockbrokers rebalanced the portfolio to decrease exposure to UK equities with disposals totaling over £147,000 and purchases at a similar level. At year end the portfolio had 42% of assets in fixed interest stocks and 45% in equities (25% in UK equities).

During the year global stock markets showed considerable volatility and the FTSE 100 index fell by 7.9%. In comparison the portfolio lost 3.8% of value and was still 2.3% above cost value.

PLANS FOR FUTURE PERIODS

The Board of Trustees has agreed to focus on the following priorities:

Engagement through communications and knowledge sharing by:

- Refreshing the format of Food Science & Technology magazine
- Generation of new scientific content for website and other formats

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Report of the Trustees for the Year Ended 30 September 2011

Professional Standards and Development by

- Piloting the development and launch of new professional registers Registered Scientist and Registered Technician and integrating this with a new register for food safety specialists
- The development of an accreditation scheme for short course providers and a register providing recognition for food trainers
- Promotion of new group membership and CPD schemes and packages

Careers and education support and promotion by

- The initiation of a new Student Career Launch Pad event aimed at food science students
- Collaborating with the FDF and Improve to develop online material which can be used to give guidance on careers in food science and technology

Increase membership engagement by

- The development of new Special Interest Groups
- The development of a new format and structure for membership engagement on a regional basis

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of Institute of Food Science and Technology 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)

Charity and company law requires 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 income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and apply them consistently,
- observe the methods and principle in the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable 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 operation

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

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Report of the Trustees for the Year Ended 30 September 2011

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 the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions.

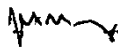
Auditor

Chantrey Vellacott DFK LLP are 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



John Charles Forbes Murray
Trustee

Approved by the Trustees on 16th January 2012

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

We have audited the financial statements of Institute of Food Science and Technology for the year ended 30 September 2011 which comprise the Statement of Financial Activities and the Balance Sheet and the related notes. 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)

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

Respective responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement set out on pages 8 to 9, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Matters on which we are required to report by exception

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

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

Chantrey Vellacott DFK LLP

Helena Wilkinson FCA (Senior statutory auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor

16 January 2012

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 30 September 2011

	Notes	2011 Unrestricted funds £	2010 Total funds £
INCOMING RESOURCES			
Incoming resources from generated funds:			
Investment income	2	23,093	20,611
Fundraising		6,790	-
Incoming resources from charitable activities	3		
Publishing		262,637	277,875
Education		14,896	4,094
Accreditation		35,275	22,195
Membership accreditation & administration		172,788	158,187
Total incoming resources		515,479	482,962
RESOURCES EXPENDED			
Costs of generating funds			
Investment management costs	4	9,796	7,874
		9,796	7,874
Net incoming/(outgoing) resources available for charitable application		505,683	475,088
Charitable activities:	5		
Publishing		43,131	45,565
Education		227,179	217,368
Accreditation		25,781	23,301
Membership accreditation & administration		194,593	196,377
Governance costs	7	5,025	5,199
Total resources expended		505,505	495,684
NET INCOMING/(OUTGOING) RESOURCES BEFORE INVESTMENT GAINS AND LOSSES		9,974	(12,722)
Realised gains/(losses) on fixed asset investments		(3,985)	(7,006)
Net income/(expenditure) for the year		5,989	(19,728)
Unrealised (losses)/gains/on investment assets		(21,358)	28,290
Net movement in funds		(15,369)	8,562
RECONCILIATION OF FUNDS			
Total funds brought forward		1,138,448	1,129,886
TOTAL FUNDS CARRIED FORWARD		1,123,079	1,138,448

All amounts relate to unrestricted funds and continuing activities. There were no other recognised gains or losses other than those dealt with above.

The notes form part of these financial statements


INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Balance Sheet
At 30 September 2011

	Notes	2011 Unrestricted funds £	2010 Total funds £
FIXED ASSETS			
Tangible assets	11	231,775	241,191
Investments	12	636,583	665,938
		<u>868,358</u>	<u>907,129</u>
CURRENT ASSETS			
Debtors	13	31,669	26,239
Cash at bank		295,495	231,451
		<u>327,164</u>	<u>257,690</u>
CREDITORS			
Amounts falling due within one year	14	(72,443)	(26,371)
NET CURRENT ASSETS		<u>254,721</u>	<u>231,319</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,123,079</u>	<u>1,138,448</u>
NET ASSETS		<u>1,123,079</u>	<u>1,138,448</u>
FUNDS			
Unrestricted funds	16	1,123,079	1,138,448
TOTAL FUNDS		<u>1,123,079</u>	<u>1,138,448</u>

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

The financial statements were approved by the Board of Trustees on 16th January 2012 and were signed on its behalf by



John Charles Forbes Murray
Trustee

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Notes to the Financial Statements for the Year Ended 30 September 2011

1. ACCOUNTING POLICIES

Accounting convention

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 and in accordance with the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

International Journal of Food Science Technology

The "International Journal of Food Science Technology" is accounted for by bringing into the Statement of Financial Activities its share of profit earned under its agreement with its publisher

Resources expended

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

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	-2% on cost
Improvements to property	-10% on cost
Office equipment	-at varying rates on cost

Taxation

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements

Defined benefit pension scheme

The institution participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). 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 hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution 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 scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Notes to the Financial Statements - continued
for the Year Ended 30 September 2011

2. INVESTMENT INCOME

	2011 £	2010 £
UK Investments, dividends and interest	<u>23,093</u>	<u>20,611</u>

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	2011 £	2010 £
IFST	Publishing	233,582	249,908
IFST for members	Publishing	8,941	9,772
Food Science & Technology	Publishing	18,155	15,528
Other publications sales	Publishing	1,959	2,667
Food events online	Education	904	-
Schools	Education	10,100	3,738
Other education activities	Education	3,892	356
CPD assessment schemes	Accreditation	16,395	5,400
Food auditor certification	Accreditation	15,045	14,555
Other accreditation schemes	Accreditation	3,835	2,240
Membership subscriptions	Membership accreditation & admin	136,825	140,008
Chartered Scientist	Membership accreditation & admin	5,096	4,999
Keynote & IFST Alert	Membership accreditation & admin	600	-
Sundry member services	Membership accreditation & admin	3,548	3,714
Branches & Groups	Membership accreditation & admin	26,719	9,466
		<u>485,596</u>	<u>462,351</u>

4. INVESTMENT MANAGEMENT COSTS

	2011 £	2010 £
Investment management fees	6,457	4,220
Support costs (see note 6)	<u>3,339</u>	<u>3,654</u>
	<u>9,796</u>	<u>7,874</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs (See note 6) £	Totals £	2010 £
Publishing	13,082	30,049	43,131	45,565
Education	90,291	136,888	227,179	217,368
Accreditation	9,087	16,694	25,781	23,301
Membership accreditation & administration	47,688	146,905	194,593	196,377
	<u>160,148</u>	<u>330,536</u>	<u>490,684</u>	<u>482,611</u>

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Notes to the Financial Statements - continued
for the Year Ended 30 September 2011

6. SUPPORT COSTS

Support costs are attributed as follows

Activity	Basis of allocation		
Management	Membership accreditation and administration 44%		
	Education 41%		
	Publications 9%		
	Accreditation 5%		
	Investment management costs 1%		
		2011	2010
		Total	Total
		activities	activities
		£	£
Support costs compose:			
Employment costs		244,412	258,143
Legal expenses		6,244	11,569
Other costs		70,740	83,964
Depreciation of tangible assets		12,479	11,568
		333,875	365,244

7. GOVERNANCE COSTS

	2011	2010
	£	£
Auditor's remuneration	5,025	5,199
	5,025	5,199

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

	2011	2010
	£	£
Auditor's remuneration	4,050	5,199
Depreciation - owned assets	12,479	11,568
Auditor's remuneration - non audit	975	9,600

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Notes to the Financial Statements - continued
for the Year Ended 30 September 2011

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 30 September 2011 nor for the year ended 30 September 2010

Trustees' Expenses

Expenses of the Trustees are reimbursed if they submit a claim. The total expenses reimbursed during the year were £6,652 (2010 £3,581)

10. STAFF COSTS

	2011 £	2010 £
Wages and salaries	202,365	212,967
Social security costs	17,776	18,710
Pension	24,271	26,466
	<u>244,412</u>	<u>258,143</u>
	2011	2010
Average number of employees during the year	5	5
Number of staff earning £60,000 or more	1	1

11. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Office equipment £	Totals £
COST				
At 1 October 2010	279,267	59,028	27,085	365,380
Additions	-	-	3,063	3,063
At 30 September 2011	<u>279,267</u>	<u>59,028</u>	<u>30,148</u>	<u>368,443</u>
DEPRECIATION				
At 1 October 2010	83,225	16,495	24,469	124,189
Charge for year	3,800	5,903	2,776	12,479
At 30 September 2011	<u>87,025</u>	<u>22,398</u>	<u>27,245</u>	<u>136,668</u>
NET BOOK VALUE				
At 30 September 2011	<u>192,242</u>	<u>36,630</u>	<u>2,903</u>	<u>231,775</u>
At 30 September 2010	<u>196,042</u>	<u>42,533</u>	<u>2,616</u>	<u>241,191</u>

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Notes to the Financial Statements - continued
for the Year Ended 30 September 2011

12. FIXED ASSET INVESTMENTS

	Listed Investments £	2010 £
MARKET VALUE		
At 1 October 2010	665,938	590,398
Additions at cost	100,603	532,623
Disposal proceeds	(147,555)	(476,111)
Net (losses)/gains on revaluation	(25,344)	21,284
Movement in investment broker's cash	42,941	6,744
At 30 September 2011	<u>636,583</u>	<u>665,938</u>
Historical cost		
At 30 September 2011		<u>622,133</u>
At 30 September 2010		<u>626,763</u>

There were no investment assets outside the UK

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Other debtors	10,629	10,294
Prepayments and accrued income	21,040	15,945
	<u>31,669</u>	<u>26,239</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade creditors	4,256	8,669
Social security and other taxes	-	4,828
VAT	6,951	874
Other creditors	570	885
Accruals and deferred income	60,666	11,115
	<u>72,443</u>	<u>26,371</u>

15. PENSION COMMITMENTS

Universities Superannuation Scheme (USS)

The charity participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administrated fund.

Due to the nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-side contribution rate is set. The institution 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 scheme of a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The latest actuarial valuation of the scheme was at 31 March 2008. This was the first valuation for USS under the new 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. The actuary also carries out regular reviews of the funding levels. In particular, he carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2011 are also included in his note.

The triennial valuation was carried out using the projected unit method. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest), the rates of increase in salary and pensions and the assumed rates of mortality. The financial assumptions were derived from market yields prevailing at the valuation date. An "inflation risk premium" adjustment was also included by deducting 0.3% from the market-implied inflation on account of the historically high level of inflation implied by government bonds (particularly when compared to the Bank of England's target of 2% for CPI which corresponds broadly to 2.75% for RPI per annum).

To calculate the technical provisions, it was assumed that the valuation rate of interest would be 6.4% per annum (which includes an additional assumed investment return over gilts of 2% per annum), salary increases would be 4.3% per annum (plus an additional allowance for increases in salaries due to age and promotion reflecting historic scheme experience, with a further cautionary reserve on top for past service liabilities) and pensions would increase by 3.3% per annum.

At the valuation date, the value of the assets of the scheme was £28,842.6 million and the value of the scheme's technical provisions was £28,135.3 million indicating a surplus of £707.3 million. The assets therefore were sufficient to cover 103% of the benefits, which had accrued to members after allowing for expected future increases in earnings.

With effect from 1 October 2011, new joiners to the scheme will join the new revalued benefits section rather than the existing final salary section. This change will have an impact, expected to be positive, on the future funding levels.

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Notes to the Financial Statements - continued
for the Year Ended 30 September 2011

15. PENSION COMMITMENTS (continued)

On the FRS 17 basis, using an AA bond discount rate of 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 86%. An estimate of the funding level measured on a buy-out basis at that date was approximately 54%.

Surpluses or deficits which arise at future valuations may impact on the institution's future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could, perhaps, be used to similarly reduce contribution requirements.

USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The next formal triennial actuarial valuation is as at 31 March 2011 and will incorporate allowance for scheme benefit changes and changes the trustee makes to the underlying actuarial assumptions. The contributions rate will be reviewed as part of each valuation and may be reviewed more frequently.

At 31 March 2011, USS had over 142,000 active members and the Institute had 3 active members participating in the scheme.

The total pension cost for the company was £24,271 (2010: £26,466). This includes £nil (2010: £nil) outstanding at the balance sheet date. The contribution rate was 16% of pensionable salaries.

16. MOVEMENT IN FUNDS

	At 1 10 10 £	Net Movement in funds £	Transfers between funds £	At 30 9 11 £
Unrestricted funds				
General fund	857,257	(15,369)	-	841,888
Fixed Asset Reserve	241,191	-	-	241,191
Premises Renovation & Equipment Reserve	40,000	-	-	40,000
	<u>1,138,448</u>	<u>(15,369)</u>	<u>-</u>	<u>1,123,079</u>
TOTAL FUNDS	<u>1,138,448</u>	<u>(15,369)</u>	<u>-</u>	<u>1,123,079</u>

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.

The "Premises Renovation & Equipment Reserve" is to fund the cost of renovation and improvement of the charity's head office and office equipment.

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Detailed Statement of Financial Activities
for the Year Ended 30 September 2011

	2011 £	2010 £
INCOMING RESOURCES		
Investment income		
Investments, dividends and interest	23,093	20,611
Fundraising	6,790	-
Incoming resources from charitable activities:		
IJFST	233,582	249,908
IJFST for members	8,941	9,772
Food Science & Technology	18,155	15,528
Other publications sales	1,959	2,667
Schools	10,100	3,738
Food events online	904	-
Other education activities	3,892	356
CPD assessment schemes	16,395	5,400
Food auditor certification	15,045	14,555
Other accreditation schemes	3,835	2,240
Membership subscriptions	136,825	140,008
Chartered Scientist	5,096	4,999
Keynote & IFST Alert	600	-
Sundry member services	3,548	3,714
Branches & Groups	26,719	9,466
	<u>508,219</u>	<u>462,351</u>
Total incoming resources	515,479	482,962
RESOURCES EXPENDED		
Investment management costs		
Investment management fees	6,457	4,220
Charitable activities		
IJFST	303	-
Food Science & Technology	11,526	11,194
Other publication costs	1,252	1,498
Schools	1,044	2,667
Careers	2,815	1,930
Awards	4,845	565
Website	49,243	45,899
Food events online	2,850	-
External representation	29,494	16,558
CPD assessment schemes	309	1,271
Food auditor certification	8,368	2,920
Other accreditation schemes	411	849
Food Science & Technology - members copies	3,115	3,708
Keynote and IFST Alert	16,031	16,177
	<u>131,606</u>	<u>105,236</u>
Carried forward	131,606	105,236

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 2011

	2011 £	2010 £
Charitable activities		
Brought forward	131,606	105,236
Sundry member services	275	-
Branches & Groups	19,036	9,645
Recruitment & retention	4,002	2,180
Chartered Scientist	5,230	3,960
	<u>160,149</u>	<u>121,021</u>
Governance costs		
Auditor's remuneration	5,025	5,199
	<u>5,025</u>	<u>5,199</u>
Support costs		
Management		
Employment costs	244,412	258,143
Consultancy & outsourcing	11,039	11,428
Building maintenance & service	15,186	20,354
Office equipment maintenance	12,497	9,841
Committee expenses	15,244	15,711
Communications	11,215	24,206
Legal expenses	6,245	11,569
Irrecoverable VAT	5,557	2,424
Freehold property - Depreciation	9,703	10,147
Office Equipment - Depreciation	2,776	1,421
	<u>333,875</u>	<u>365,244</u>
Total resources expended	<u>505,505</u>	<u>495,684</u>
Net income/(expenditure) before gains and losses	<u>9,974</u>	<u>(12,722)</u>
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	(3,985)	(7,006)
Net income/(expenditure)	<u><u>5,989</u></u>	<u><u>(19,728)</u></u>

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