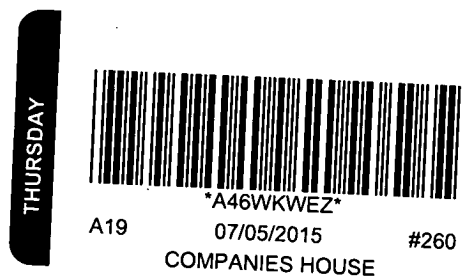


REGISTERED COMPANY NUMBER: 930776 (England and Wales)
REGISTERED CHARITY NUMBER: 1121681

**Report of the Trustees and
Financial Statements for the Year Ended 30 September 2014
for
INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY**



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

	Page
Report of the Trustees	3 to 10
Report of the Independent Auditor	11 to 12
Statement of Financial Activities	13
Balance Sheet	14
Notes to the Financial Statements	15 to 22
Detailed Statement of Financial Activities	23 to 24

Report of the Trustees for the Year Ended 30 September 2014

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 2014. 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

J Ashmore	(Chair, Scientific Committee)	- appointed 13.5.14
I Bartolo		- resigned 13.5.14
A R Bennett		- resigned 13.5.14
R Burt	(Hon Treasurer & Finance Committee Chair	
S Crew	(Vice President)	- appointed 13.5.14
E M Edmondson	(President Elect)	- appointed 13.5.14
C Dennis		- resigned 13.5.14
A R Kent	(Hon Secretary)	
H S Munday	(Chair, Communications Committee)	
S D Musgrove	(Chair, Volunteer & Networks Committee)	
M F Patterson	(President)	
J Pearce	(Chair, Education & Careers Committee)	
D A Rosie		- resigned 13.5.14
E Sheward	(Chair, Membership Committee)	- appointed 13.5.14
C A Wallace	(Chair, Professional Development Committee)	- appointed 13.5.14
A West		- resigned 13.5.14

Company Secretary

J W Poole

Senior Statutory Auditor

Philip Clark

Auditor

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

Report of the Trustees for the Year Ended 30 September 2014 continued

Professional advisors

Bankers

Lloyds TSB Bank plc
P O Box 1000
BX1 1LT

Scottish Widows Bank plc
PO Box 12757
67 Morrison St
Edinburgh EH3 8YJ

Investment Managers

Barclays Wealth (until July 2014)
1 Church Place
London EC14 5HP

C Hoare & Co (from July 2014)
37 Fleet Street
London EC4P 4DQ

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 Trustees is ratified by the Board of Trustees.

Formal training is offered to new Trustees and a training day for all Trustees was held. Literature is available for Trustees to download from IFST's 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 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 and six 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.

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.

Report of the Trustees for the Year Ended 30 September 2014 continued

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:

- Engagement through communications and knowledge sharing
- Professional standards and development
- Careers and education support and promotion
- Increase membership engagement

Significant activities and achievements during 2013-2014

1) Engagement through communications and knowledge sharing

During the year there was extensive work on the development and implementation of new database and website services to provide better support for the charity's future plans by obtaining better value for our money together with a more integrated and less bespoke solution. The core of the new facilities was launched in April. Further facilities have subsequently been rolled out.

In time for the website launch and Jubilee year IFST launched a new brand including a new logo and imagery and set of design icons intended to portray a stronger more authoritative image.

In March, Roger Atkins retired as Editor in Chief of *Food Science & Technology* and Melanie Brown was appointed as replacement editor. The average monthly visits to FS&T online increased from 1000 per month last year to approximately 1,400 visitors this year. A special open access issue in June 2014 attracted 2163 visitors.

The impact factor for the International Journal of Food Science & Technology this year rose from 1.24 to 1.354.

The first in a new series of monographs to be published jointly with Wiley, 'Seafood Processing: Technology, Quality and Safety' was published in January.

IFST currently has 25 Information Statements published online including 1 new and 5 updated.

IFST has continued to grow its involvement with and influence through key stakeholders such as the Food Standards Agency, the Better Regulation Delivery Office, the All Party Parliamentary Food & Health Forum, the National Technology Platform for Food and Drink and of course the Science Council. In addition IFST has ongoing relationships with a number of other organisations where there is the opportunity to progress joint working arrangements that are in pursuit of our charitable object. These include organisations such as Campden BRI, Leatherhead Food Research, Food & Drink Federation and FERA.

During the year, IFST reviewed 11 government consultation documents and responded to 2.

IFST's annual conference was a special Jubilee Conference on "The Fantastic Future of Food". Held in May over two days, with parallel sessions involving 24 speakers in total, it attracted 246 delegates (154 in 2013). Other educational events were organised, including a series of lectures on "The Chemistry of Cocktails".

In collaboration with Food Manufacture, we participated in a webinar 'Obesity and Health' which attracted over 1,200 registrations and 600 views.

Report of the Trustees for the Year Ended 30 September 2014 continued

During the year, IFST's reach via Twitter increased from 8272 accounts in April-May to 48,737 in September. The "#IFST50fact" campaign greatly increased IFST's visibility on Twitter along with tweets relating to IFST activities and events.

During the year, we combined the IFST members' newsletter with the Food Science & Technology magazine newsletter. Viewers have increased from 565 in June 2013 to 669 in September 2014.

2) Professional standards and development

The 'group membership' facility was further expanded, resulting in 54 new members and 5 new organisations joining the scheme. The scheme provides a more coherent and efficient approach, especially in relation to professional registration and in-house CPD schemes. For example, one major retailer this year generated 12 new Members, 3 RSci and 12 CSci.

In July, IFST held its first House of Lords reception attended by 126 guests, hosted by Lord Rooker and with FSA Chief Executive Catherine Brown as the speaker. The focus of this event was the formal launch of a new multi-level Register of Food Safety Professionals, which is aligned to the Science Council registers. There are currently 56 Registered Food Safety Managers.

In May, IFST launched a new Register of Sensory Professionals, which is aligned with Chartered Scientist. 12 members have now registered on the scheme, including 4 new Chartered Scientists.

Following a successful review by the Science Council in February, IFST's 5 year licence to award Chartered Scientist was renewed for a further 5 years. There were 214 CSci (including 21 new), 88 RSci (including 4 new) and 6 RSciTech (including 1 new).

There were 347 persons registered on myCPD, IFST's online CPD recording system. A major food industry training provider has agreed an arrangement to offer myCPD to all its training course delegates under a group arrangement.

There were 69 registrants on the Register of Professional Food Auditors & Mentors.

In collaboration with the Safe and Local Supplier Approval Scheme (SALSA) certification scheme, 77 SALSA HACCP (level 2) certificates were awarded (101 in 2013).

223 certificates of food sensory training were issued across 7 registered centres (371 in 2013).

Work was progressed to develop a new accreditation scheme for undergraduate and postgraduate degree courses in food science and technology.

3) Careers and education support and promotion

To provide a legacy from the Jubilee year, the Institute launched "FoodStart" in September which is an online facility to support the promotion of work experience opportunities to students ranging from short placements at GCSE level through to one year placements as part of a university degree course.

During the year, IFST continued its programme of Student Career Launch Pad events aimed at food science students. Events were held in collaboration with Campden BRI and Leatherhead Food Research. Around 200 university students attended to learn more about the roles available to them within the food sector.

In October 2013, the UK was represented by Harper Adams University at the European Finals of the Ecotrophelia competition, an EU-wide "Dragons Den"-type competition for teams of university students. This was the first time that UK had entered this competition.

Report of the Trustees for the Year Ended 30 September 2014 continued

In collaboration with Campden BRI, IFST delivered the UK heat in 2014 of "Ecotrophelia". This year, the UK competition attracted 8 teams (1 more than last year). The UK heat was highly successful with all teams presenting high quality products to a high profile panel of 'dragons'. IFST received wide exposure during Campden Day.

IFST again supported the 'Future of Food' category at the TeenTech Awards, an event for UK students from 11-16 (Years 7 to 11) working in teams of up to 3 to look at problems large and small to see if they can find a better way of doing things.

IFST continued to provide its "love food love science" postcards to support teachers and to encourage school pupils to take an interest in food science.

There was no Parliamentary Office of Science & Technology Fellow this year as the successful candidate withdrew.

A special Jubilee Prize was awarded to 1 student from each of our 7 regional branches, which included expenses to attend the 2-day Jubilee Conference.

4) Increasing membership engagement

During the year, the overall membership increased by 13% to 2290 from 2026 in 2013, made up of:

- Fellows: 559 (2013: 564)
- Members: 820 (2013: 801)
- Associates: 605 (2013: 498)
- Students: 306 (2012: 163)

Much of the effort during the year has focused on attracting and engaging younger members. The group scheme offered to universities for their students was expanded with 4 universities committing to pay for student membership for 152 students.

A new "Young Ambassadors" scheme was initiated in Jubilee year. All IFST prizewinning students will be invited to become a Young Ambassador for IFST for one year. YA's will be expected to volunteer to help support IFST's charitable aims in a range of activities.

As a result of the Heinz Team Challenge, promoted at the Student Launchpads, IFST has formed a new student group, which is planning to run its own events in future.

During the year, over 250 members volunteered their help to IFST in some capacity. A new scheme has been implemented to thank those members.

A series of free breakfast meetings for members has been held on current food safety topics.

An improved online member finder has been introduced for members – with images and enhanced search functionality.

Over 100 members have so far taken part in a Jubilee Treasure Hunt, where members collected points through participation in IFST events and by helping with and supporting IFST's charitable activities

FINANCIAL REVIEW

Principal funding sources

The major income streams were publications £305,137 (2013: £329,967) followed by membership administration £155,827 (2013: £149,740). Significant income was also generated from education and accreditation activities.

Report of the Trustees for the Year Ended 30 September 2014 continued

Reserves Policy

At the year end, the charity's reserves stood at £1,151,452 (2013: £1,208,151), within which the Trustees identified 3 areas, where designated reserves totaling £326,582 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 170% of this level which the trustees consider to be prudent to cover commitments during IFST's Jubilee Year.

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 RPI plus 3.5% over a 3 to 5 year period.

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

The Trustees recognise that they are not in a position to trade on a frequent basis and have delegated discretionary management of the portfolio to investment managers who will invest in a balanced medium risk portfolio. During the year, the Trustees, after a formal selection process, decided to move from Barclays Wealth to C Hoare & Co for investment portfolio management. The Trustees have issued detailed investment policy guidance to the new investment managers.

Investment Performance

During the year the value of the investments increased by £13,890 which was in line with the Trustees' expectation.

PLANS FOR FUTURE PERIODS

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

Engagement through communications and knowledge sharing by:

- Generating new scientific content for the website and other communication channels
- Responding to governmental and other key consultations
- Providing input through attendance on a range of selected stakeholder forums
- Delivering comprehensive support and resources for those signing up for IFST's new Register of Food Safety Professionals

Professional standards and development by

- Launching and embedding the new Register of Food Safety Professionals and supporting resources
- Embedding the new Register of Professional Sensory Scientists
- Continuing to expand the recognition of Registered Science Technician, Registered Scientist and Chartered Scientist
- Encouraging uptake of IFST's myCPD online management system
- Promoting IFST's group membership, Professional Recognition and CPD packages to employers
- Recognising/accrediting relevant BSc and MSc courses.

Careers and education support and promotion by

- Promoting the Institute's new "FoodStart" work experience website - a Jubilee legacy project
- Expanding the reach of the Student Career Launch Pad events aimed at undergraduates

Report of the Trustees for the Year Ended 30 September 2014 continued

- Supporting student activities through events such as Ecotrophelia, the European food innovation student competition, offered to UK universities
- Providing other awards and bursaries
- Developing new resources for students and teachers
- Continuing to provide a Fellowship in the Parliamentary Office of Science and Technology
- Hosting an "Educational Forum" focusing on developments in the Education Sector and their impact on careers in food.

Increase membership engagement by

- Surveying targeted groups of members to establish member needs
- Based on above, develop specific campaigns and services
- Expanding active membership engagement regionally and through subject interest areas
- Encouraging more active participation by members in IFST activities

RELATED PARTIES

The only related party transactions in the year were reimbursement of trustees' expenses. There are no related parties outside the normal course of business.

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 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 period. In preparing these 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.

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.

Report of the Trustees for the Year Ended 30 September 2014 continued

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.

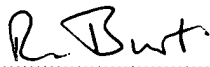
Auditor

Chantrey Vellacott DFK LLP 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



Richard Burt

Trustee

Approved by the Trustees on 21st January 2015

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 2014 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 Trustees' Report (incorporating a Directors' Report) to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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.

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 and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Chantrey Vellacott DFK LLP

Philip Clark (Senior statutory auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
London

Date: *26 March 2015*

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 30 September 2014**

	Notes	2014 Total funds £	2013 Total funds £
INCOMING RESOURCES			
Incoming resources from generated funds:			
Investment income	2	15,075	16,979
Fundraising		7,616	158
Incoming resources from charitable activities:	3		
Publishing		305,137	329,967
Education		60,348	36,796
Accreditation		57,479	48,744
Membership administration		155,827	149,740
Total incoming resources		601,482	582,384
RESOURCES EXPENDED			
Costs of generating funds			
Investment management costs	4	9,502	11,540
		9,502	11,540
Net incoming resources available for charitable application		591,980	570,844
Charitable activities:	5		
Publishing		71,864	77,041
Education		394,964	291,141
Accreditation		94,717	84,856
Membership administration		100,441	105,035
Governance costs	7	7,000	6,769
Total resources expended		678,488	576,382
NET (OUTGOING)/INCOMING RESOURCES BEFORE INVESTMENT GAINS AND LOSSES		(77,006)	6,002
Realised gains/(losses) on fixed asset investments		10,003	(838)
Net income for the year		(67,003)	5,164
Unrealised gains/(losses) on investment assets		10,304	31,642
Net movement in funds		(56,699)	36,806
RECONCILIATION OF FUNDS			
Total funds brought forward		1,208,151	1,171,345
TOTAL FUNDS CARRIED FORWARD		1,153,452	1,208,151

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

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Balance Sheet
At 30 September 2014

	Notes	2014 Total funds £	2013 Total funds £
FIXED ASSETS			
Tangible assets	11	200,845	214,949
Investments	12	756,286	742,396
		<u>957,131</u>	<u>957,345</u>
CURRENT ASSETS			
Debtors:	13	32,710	26,730
Cash at bank		247,639	290,741
		<u>280,349</u>	<u>317,471</u>
CREDITORS			
Amounts falling due within one year	14	(86,028)	(66,665)
NET CURRENT ASSETS		<u>194,321</u>	<u>250,806</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,151,452</u>	<u>1,208,151</u>
NET ASSETS		<u>1,151,452</u>	<u>1,208,151</u>
FUNDS			
Unrestricted funds	16	1,151,452	1,208,151
TOTAL FUNDS		<u>1,151,452</u>	<u>1,208,151</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 15th January 2015 and were signed on its behalf by:



Richard Burt
Trustee

The notes on pages 15 - 22 form part of these financial statements

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, who runs to a 31st December year end.

Resources expended

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 generating funds comprises the costs of managing the investment portfolio.

Governance costs are those costs relating to compliance with constitutional and statutory requirements.

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.

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.

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

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

Notes to the Financial Statements for the Year Ended 30 September 2014

1. ACCOUNTING POLICIES (continued)

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.

2. INVESTMENT INCOME	2014	2013
	£	£
UK Investments, dividends and interest	15,075	16,979

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	2014	2013
		£	£
IJFST	Publishing	268,523	285,607
IJFST for members	Publishing	6,400	6,903
Food Science & Technology	Publishing	22,087	26,301
Other publications sales	Publishing	5,782	8,326
Advertising	Publishing	2,345	2,830
Schools	Education	500	600
Awards	Education	3,650	750
Events	Education	10,113	32,146
CPD assessment schemes	Accreditation	12,400	12,400
Food auditor certification	Accreditation	26,211	22,962
Other accreditation schemes	Accreditation	6,260	6,270
Science Council Registers	Accreditation	12,608	7,112
Membership subscriptions	Membership administration	155,827	149,231
Regions & Groups	Membership administration	-	3,809
Jubilee		46,085	
		578,791	565,247

4. INVESTMENT MANAGEMENT COSTS

	2014	2013
	£	£
Investment management fees	9,502	7,496
Support costs (see note 6)	-	4,044
	9,502	11,540

Notes to the Financial Statements for the Year Ended 30 September 2014

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 6)	Totals 2014	2013
	£	£	£	£
Publishing	21,401	50,463	71,864	77,041
Education	193,111	201,853	394,964	291,141
Accreditation	19,022	75,695	94,717	96,705
Membership administration	7,925	92,516	100,441	93,186
	<u>241,459</u>	<u>420,527</u>	<u>661,986</u>	<u>558,073</u>

6. SUPPORT COSTS

Support costs are attributed as follows:

Activity	Basis of allocation
Management	Membership accreditation and administration 22%
	Education 48%
	Publishing 12%
	Accreditation 18%

	2014	2013
	Total activities £	Total activities £
Support costs comprise:		
Employment costs	305,307	295,179
Legal expenses	10,561	9,269
Other costs	90,554	80,768
Depreciation of tangible assets	14,105	15,144
	<u>420,527</u>	<u>400,360</u>

7. GOVERNANCE COSTS

	2014 £	2013 £
Auditor's remuneration	7,000	6,769
	<u>7,000</u>	<u>6,769</u>

Notes to the Financial Statements for the Year Ended 30 September 2014

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2014	2013
	£	£
Auditor's remuneration - audit	5,000	4,875
Auditor's remuneration - non audit	2,000	1,894
Depreciation - owned assets	14,105	15,144

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2013 nor for the year ended 30 September 2014.

Trustees' Expenses

Expenses of the trustees are reimbursed if they submit a claim. The total expenses for travel and subsistence reimbursed during the year were £8,982 (2013: £7,664).

10. STAFF COSTS

	2014	2013
	£	£
Wages and salaries	257,329	245,901
Social security costs	25,279	23,478
Pension	22,699	25,800
	305,307	295,179

	2014	2013
Average number of employees during the year	7	7
Number of staff earning £60,000 or more	2	1

Pension costs incurred in relation to the higher paid employees as detailed above totalled £21,904 (2013: £21,514).

Notes to the Financial Statements for the Year Ended 30 September 2014

11. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Office equipment £	Totals £
COST				
At 1 October 2013	279,267	59,028	23,734	362,029
Additions	-	-	-	-
Disposals	-	-	-	-
At 30 September 2014	<u>279,267</u>	<u>59,028</u>	<u>23,734</u>	<u>362,029</u>
DEPRECIATION				
At 1 October 2013	90,825	38,030	18,224	147,079
Disposals	-	-	-	-
Charge for year	3,800	5,903	4,402	14,105
At 30 September 2014	<u>94,624</u>	<u>43,933</u>	<u>22,627</u>	<u>161,184</u>
NET BOOK VALUE				
At 30 September 2014	<u>184,643</u>	<u>15,095</u>	<u>1,107</u>	<u>200,845</u>
At 30 September 2013	<u>188,442</u>	<u>20,998</u>	<u>5,510</u>	<u>214,950</u>

12. FIXED ASSET INVESTMENTS

Listed Investments	2014 £	2013 £
MARKET VALUE		
At 1 October 2013	742,396	720,186
Additions at cost	839,230	49,533
Disposal proceeds	(843,258)	(42,360)
Net gains/(losses) on revaluation	20,307	30,804
Movement in investment broker's cash	(2,389)	(15,767)
At 30 September 2014	<u>756,286</u>	<u>742,396</u>
Historical cost		
At 30 September 2014		<u>733,477</u>
At 30 September 2013		<u>644,293</u>

There were no investment assets outside the UK.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade debtors	21,462	5,338
Prepayments and accrued income	11,248	21,392
	<u>32,710</u>	<u>26,730</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade creditors	18,006	-
Social security and other taxes	6,404	6,338
VAT	7,931	13,589
Accruals and deferred income	53,687	43,556
	<u>86,028</u>	<u>63,531</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.

The latest triennial actuarial valuation of the scheme was at 31 March 2011. This was the second valuation for USS 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. 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 2012 are also included in this 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 6.1% per annum, salary increases would be 4.4% per annum (with short-term general pay growth at 3.65% per annum and an additional allowance for increase 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 3.4% per annum for 3 years following the valuation then 2.6% per annum thereafter.

Notes to the Financial Statements for the Year Ended 30 September 2014

15. PENSION COMMITMENTS (continued)

Standard mortality tables were used as follows:

Male members' mortality	S1NA ["light"]YoB tables – no age rating
Female members' mortality	S1NA["light"]YoB tables – rated down 1 year

Use of these mortality tables reasonably reflects the actual USS experience but also provides an element of conservatism to allow for further improvements in mortality rates the CMI 2009 projections with a 1.25% pa long term rate were also adopted. The assumed life expectations on retirement at age 65 are:

Male (females) currently aged 65	23.7 (25.6) years
Male (females) currently aged 45	25.5 (27.6) years

At the valuation date, the value of the assets of the scheme was £32,433.5 million and the value of the scheme's technical provisions was £35,343.7 million indicating a shortfall of £2,910.2 million. The assets therefore were sufficient to cover 92% of the benefits, which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a number of other bases as at the valuation date. On the scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return of gilts) the funding level was approximately 68%. Under the Pension Protection Fund regulation introduced by the Pensions Act 2004 the Scheme was 93% funded; on a buy-out basis (i.e. assuming the Scheme has discounted on the valuation date) the assets would have been approximately 57% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS17 formula as if USS was a single employer scheme, using a 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 82%.

As part of this valuation, the trustees have determined, after consultation with the employers, a recovery plan to pay off the shortfall by 31 March 2021. The next formal triennial actuarial valuation is as at 31 March 2014. If experience up to that date is in line with the assumptions made for this current actuarial valuation and contributions are paid at the determined rates or amounts, the shortfall at 31 March 2014 is estimated to be £2.2 billion, equivalent to a funding level of 95%. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

Cost sharing – If the total contribution level exceeds 23.5% of Salaries per annum, the employers will pay 65% of the excess over 23.5% and members would pay the remaining 35% to the fund as additional contributions.

Pension increase cap – For service derived after 30 September 2011, USS will match increases in official pensions for the first 5%. If official pensions increased by more than 5% then USS will pay half of the difference up to a maximum increase of 10%.

Since 31 March 2011 global investment markets have continued to fluctuate and following its peak in September 2011 inflation has declined rapidly towards the year end, although the market's assessment of inflation has remained reasonably constant. The actuary has estimated that the funding level as at 31 March 2012 under the scheme specific funding regime had fallen from 92% to 77%. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to the market conditions. These are sighted as the two most significant factors affecting the funding positions which have been taken into account for the 31 March 2012 estimation.

Notes to the Financial Statements for the Year Ended 30 September 2014**15. PENSION COMMITMENTS (continued)**

On the FRS17 basis, using an AA bond discount rate of 4.9% per annum based on spot yields, the actuary calculated that the funding level at 31 March 2012 was 74%. An estimate of the funding level measured on a historic gilts basis at that date was approximately 56%.

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.

At 31 March 2014, USS had over 145,000 active members and the IFST has 2 active members participating in the scheme.

The total pension cost for the institution was £22,699 (2013: £25,800). This includes £Nil (2013: £Nil) of outstanding contributions at the balance sheet date. The contribution rate payable by IFST was 16% of pensionable salaries. Member contributions were 7.5% p.a. and 6.5% p.a. for FS Section members and CRB Section members respectively.

16. MOVEMENT IN FUNDS

	At 1.10.13	Incoming Resources	Outgoing Resources	Net investment gains	Transfers	At 30.09.14
	£	£	£	£	£	£
Unrestricted funds						
General fund	866,960	547,781	(610,178)	20,307	-	824,870
Fixed asset reserve	241,191	-	-	-	-	241,191
Premises renovation & equipment reserve	50,000	-	-	-	-	50,000
Jubilee Year activities reserve	50,000	53,701	(68,310)	-	-	35,391
	<u>1,208,151</u>	<u>601,482</u>	<u>(678,488)</u>	<u>20,307</u>	<u>-</u>	<u>1,151,452</u>
TOTAL FUNDS	<u>1,208,151</u>	<u>601,482</u>	<u>(678,488)</u>	<u>20,307</u>	<u>-</u>	<u>1,151,452</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.

The "Jubilee Year Reserve" is to fund the cost of Jubilee activities.

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Detailed Statement of Financial Activities
for the Year Ended 30 September 2014

	2014 £	2013 £
INCOMING RESOURCES		
Investment income		
Investments, dividends and interest	15,075	16,979
Fundraising	7,616	158
Incoming resources from charitable activities:		
IJFST	268,523	285,607
IJFST for members	6,400	6,903
Food Science & Technology	22,087	26,301
Advertising	2,345	2,830
Other publications sales	5,782	8,326
Schools	500	600
Awards	3,650	750
Events	10,113	32,146
CPD assessment schemes	12,400	12,400
Food auditor certification	26,211	22,962
Science Council Registers	12,608	7,112
Other accreditation schemes	6,260	6,270
Membership subscriptions	155,827	149,231
Regions and branches	-	3,809
Jubilee	46,085	-
	578,791	565,247
Total incoming resources	601,482	582,384
RESOURCES EXPENDED		
Investment management costs		
Investment management fees including support costs	9,502	11,540
Charitable activities		
IJFST	681	688
Food Science & Technology	17,077	16,013
Other publication costs	3,643	13,630
Schools & Careers	29,763	9,130
Awards	4,066	10,060
Website (including database)	89,407	34,371
Events	13,721	27,659
External representation	17,608	13,113
CPD assessment schemes	3,507	6,282
Food auditor certification	3,864	4,381
Other accreditation schemes	1,389	794
Food Science & Technology - members copies	1,256	1,347
Science Council Register	10,262	11,849
Jubilee	38,546	-
	234,790	142,577
Carried forward		

INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY

Detailed Statement of Financial Activities
for the Year Ended 30 September 2014

	2014 £	2013 £
Charitable activities		
Brought forward	234,790	142,577
Other member services	-	-
Recruitment & retention	1,626	5,096
Regions & groups	5,043	3,300
	<u>241,459</u>	<u>157,713</u>
Governance costs		
Auditor's remuneration	7,000	6,769
	<u>7,000</u>	<u>6,769</u>
Support costs		
Management		
Employment costs	305,307	295,179
Consultancy & outsourcing	15,208	6,931
Building maintenance & service	16,136	14,850
Office equipment maintenance	14,876	17,052
Committee expenses	13,883	16,307
Communications	15,945	16,707
Legal expenses	10,561	9,269
Irrecoverable VAT	14,506	8,921
Freehold property - Depreciation	9,703	9,703
Office Equipment - Depreciation	4,402	5,441
	<u>420,527</u>	<u>400,360</u>
Total resources expended	<u>678,488</u>	<u>576,382</u>
Net (expenditure)/income before gains and losses	(77,006)	6,002
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	10,003	(838)
Net (expenditure)/income	<u>(67,003)</u>	<u>5,164</u>