



ANNUAL REVIEW 2016-17

Institute of Refrigeration

Technical knowledge | International profile |
Networking & events | Projects | Awareness raising |
Membership | Governance | Trustees |
Finances | Investments | Reserves

Introduction

The purpose of this report is to explain how the Institute of Refrigeration's aims fulfil the purpose for which it is legally registered as a charity, the activities it has undertaken during the period covered and what it has achieved during that period.

It covers the activities of the IOR which holds the legal status of unincorporated body with Charity registration (Charity no 250 081 and Constitution as amended 1.12.11) and the newly established IOR Charitable Incorporated Organisation (Registration no 11668869 under its Constitution dated 3.5.16).

You will see from the Financial Statements in Sections 6-7 and 8-9 that the assets and liabilities of the unincorporated IOR were transferred to the new CIO in April 2017.

The IOR was originally established in 1899 as the Cold Storage and Ice Association. Since this time it has undergone several name and status changes, becoming the Institute of Refrigeration in 1944 and a registered charity in 1967 whilst remaining an unincorporated association. It became apparent to the Trustees that with the current range of activity undertaken and contractual relationships being entered into it was time for the Institute to update its legal status to the modern legal form of Charitable Incorporated Organisation (CIO). Following approval of members at the AGM in 2015 the new CIO which has the same objects as the original unincorporated IOR was registered with the Charity Commission on 3rd May 2016.

This report provides details of the activities, achievements, plans and governance that are in place to ensure that the IOR meets its objectives, together with the financial statements that explain how resources have been allocated.

The IOR undertakes a wide range of educational and scientific activities which provide benefit to the public and its members by promoting the advancement of the science and practice of refrigeration in all its applications.

Steve Gill FInstR

President and Chairman of the Board of Trustees

August 2017



1.0 ANNUAL REVIEW

1.1 Objectives and activities

The purpose of the IOR as set out in its Constitution is:

- The general advancement of refrigeration in all its applications, in relation both to the perfection of its methods, and to the extension of its services to the community
- To promote means for communication between members and their interchange of views
- To encourage invention and research in all matters relating to the science and practice of refrigeration
- To promote a sustainable approach to all aspects of refrigeration system design and operation
- To co-operate with educational institutions for the furtherance of education in the science and practice of refrigeration
- To hold meetings of the Institute for reading and discussing papers dealing with refrigeration and allied subjects
- To publish and distribute the proceedings or reports of the Institute
- To do all other things, incidental or conducive to the attainment of the above objects or any of them

The Trustees have reviewed these objectives and evaluate activities against them, in line with the Charity Commission guidance on public benefit and confirm that the IOR continues to provide public benefit through:

- Activities to reduce environmental impact of refrigeration, air conditioning and heat pump technologies by awareness raising and technical output
- Promoting education, skills and careers opportunities by engaging with students, schools
- Enhancing professionalism of individuals operating in the sector by offering ways of sharing information, encouraging professional registration and by working with employers on developing Apprenticeship Standards

The Trustees carried out a strategic review of activities necessary to achieve this aims during the year and confirmed the following priorities and targets for the next period which will have a long term impact:

- Extending the IOR's influence and expertise in the air conditioning and heat pump sectors to ensure that it adequately represents the interests of all applications of refrigeration science, practice, research and advancement
- Supporting the implementation of the Apprenticeship Trailblazer for RACHP Engineering Technicians at Level 3 to improve education and skills levels of trainees
- Encourage more individuals to engage with the IOR either directly through membership or by using of the services available, particularly those new to the sector
- Improve its communications to reach more people with an updated logo which more accurately reflects its scope of activity, increased social media presence and to redevelop its website as a showcase for accessing publications and services.

Impact and success is measured at quarterly Trustee meetings where progress reports are reviewed and activity adjusted accordingly. These items represent the current strategic priorities on which activity is focused. However Trustees are also monitoring the following critical priority areas: promotion of Engineering Council professional registration, providing a platform for international research conferences in the UK, offering more regional networking opportunities and providing public education and technical information focused on lower GWP alternative refrigerants. Key success measures include: membership take up and growth of representation amongst target areas; website and social media reach and downloads; representation at events and committee meetings.

1.2 Signification activities and results 2016-17

Technical publications

- Guidance Note 29 on BS EN378:2016 changes
- Guidance Note 30 on working in confined spaces
- Guidance Note 28 on oil analysis
- Updating of REAL Alternatives e-learning modules in March 2017
- Service Engineer Guides published on danger of odourless refrigerant, R32, system evacuation, refrigerant glide, pipework support, compressor troubleshooting, ammonia use
- Documents in preparation include revision of IOR Refrigerant Codes of Practice for EN378 changes and a joint CIBSE VRF air conditioning guide

International profile

- The Gustav Lorentzen Natural Working Fluids Conference was held on 21st-24th August in Edinburgh 2016 attracting over 250 delegates from over 31 countries and featuring 147 technical papers. In addition there were three key note addresses, three technical site tours, two workshops and three short courses. See www.ior.org.uk/GL2016
- Meetings were held with ASHRAE (American Society) President and Executive Vice-President in London to discuss co-operation initiatives
- The IOR continued to support the UK membership of the International Institute of Refrigeration, an intergovernmental organisation
- Co-operation on technical information continued with the Institute of Refrigeration Ireland

Networking and exchange of information

- Free evening talks and webinars were given at various venues across the UK on innovation in: identifying contamination and counterfeit refrigerants, food and industrial refrigeration, water based refrigerator development, R290 use in transport, domestic equipment safety, the future of air conditioning for comfort cooling
- The President's Address featured a discussion on the future of the industry with recently qualified apprentice technicians
- Three Engineering Council registration information events
- SIRACH site visits took place at the Tyndall National Energy Institute in Cork, Warwick University, EBM Papst
- Cool Talks for service engineers were held in Leeds, Bristol and Milton Keynes
- College Talks to engineering students took place at Dudley College, Business Edge Waterlooville, Bath College and Eastleigh College
- Annual Dinners were held in London, Newcastle and Glasgow
- An International Refrigeration Committee business briefing covered the topic of "Gaining Business Advantage from 20-20-00 environmental targets"



Education and Training

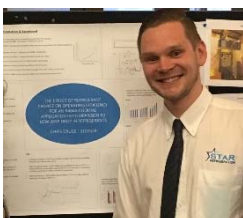
- The IOR first education and training note was published on Continuing Professional Development (CPD)
- Employers group meetings to implement the new Trailblazer Apprenticeship for Engineering Technicians at Level 3
- A new group was set up to develop a Trailblazer Design Engineer Standard for Higher Level Apprenticeships
- 10 finalists of the IOR-RAC Student of the Year Award were supported
- The REAL Alternatives E-learning platform was updated and the language options extended to include Spanish and Finnish
- The Fantastic Fridges schools website continued to be maintained

Encouraging and promoting innovation

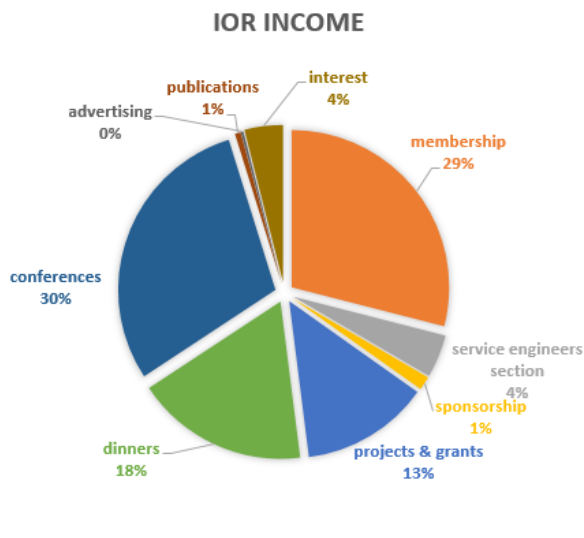
- The J&E Hall International Gold Medal for practical contribution to the development of RACHP technology was awarded to Tom Watson for his work on centrifugal compressor technology
- The Ted Perry student research award was made to Chris Druce studying impact of refrigerant leakage on system performance at London South Bank University
- The Service Engineers Section recognised the lifetime service of two individuals: Martyn Ross of J&E Hall and Grayme Selkirk of Tesco Refrigeration
- The Lightfoot medal for IOR published paper went to Andy Pearson and Maurice Young for "Ammonia leakage, dispersion and risk assessment"
- The IOR joined a 3.5 year EU CryoHub project to promote the benefits of cryogenic energy storage for renewable refrigeration and power

The IOR benefits from significant contribution of volunteers, mainly members, through:

- Membership of formal Committees
- Working groups to edit publications, develop Trailblazer standards, peer review technical papers and organise conferences or events
- Technical talks at conferences, evening papers and workshops
- Judging panels for awards and medals



1.3 Achievements and performance



Significant activities generating income for the period included:

- Gustav Lorentzen Natural Working Fluids international conference
- Membership and SES fees and subscriptions
- Annual dinners
- Project grants (CryoHub energy storage research project, SIRACH sustainability network, REAL Alternatives translations)

Success indicators monitored and reported on at Trustee meetings included:

- Membership levels and growth particularly in technician, student and young person membership grades (see IOR membership-historic)
- Attendance at events & webinars
- Numbers of publications produced and downloaded
- Website and social media reach (see website analysis-page visits)
- Engineering Council registration numbers (2 new applications, 7 on register)

The IOR is a professional affiliate of the Engineering Council which allows its members to register with the Engineering Council through a licencing agreement with CIBSE. The Engineering Council provides valuable benchmarks against which the Trustees evaluate IOR activity and standards in areas such as Codes of Conduct, CPD, appeals procedures, diversity, corporate status, membership profile and marketing.

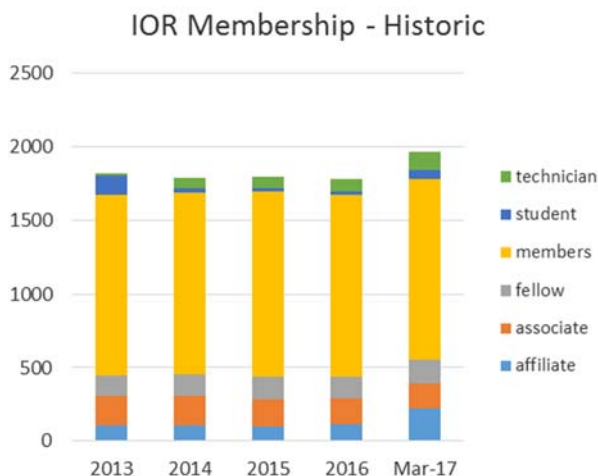
Fundraising

IOR does not engage in public fundraising or grant giving. It incurs expenditure related to membership marketing and manages awards for innovation some of which are funded by donation by external organisations. IOR members pay annual membership fees.

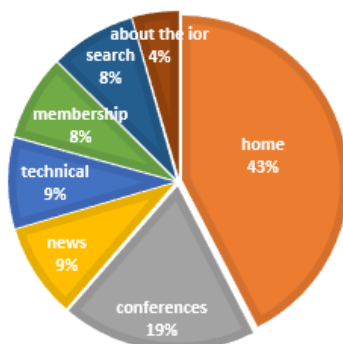
1.4 Future planned expenditure

The IOR has a small permanent secretariat and it is planned that the headcount be increased by one full time person next year to resource planned activities designed to extend services offered and generate income in the future. The key activities being undertaken in the next period which will require investment of additional resources are shown below:

- Membership growth through promotion of Technician and Student or Young Persons grade, offering introductory membership to apprentices and partnering with international institutes
- The results of a 3-year engagement research project will identify mechanisms to better engage with young people and support skills development in 2018
- International conferences on a 2-3 year basis with an IIR HFO application conference scheduled for 2018
- Involvement in funded projects with a sustainability or education focus with applications being prepared to extend REAL Alternatives e-learning across Europe and to further develop SIRACH dissemination activity
- Updating of IOR communications with a new logo reflecting our scope and a new website which is easier to use and modern in style



WEBSITE ANALYSIS - PAGE VISITS



2.0 GOVERNANCE & MANAGEMENT

2.1 Legal Status

The IOR was established as an unincorporated association of members, governed by a written Constitution as updated 1st November 2012 and registered as a charity (number 250 081). On 3rd May it reconstituted as a Charitable Incorporated Organisation (CIO number 1166869). All assets, liabilities and contracts were transferred into the new CIO.

The IOR Constitution sets out the objects, powers, membership processes, decision making, AGM and voting arrangements, functions and duties of trustees including how trustees are appointed and inducted. The Rules set out the processes around grades of membership, membership fee collection and appointment of President, President Elect, Trustees, Hon Treasurer and Chief Executive. It also outlines the roles of Committees and Working Groups.

Appointment of Trustees

The Board of Trustees of the IOR includes six elected trustees, a President, President-Elect, Past President and Hon Treasurer. One-third of the elected Trustees retire from office each year by rotation. Vacancies are advertised by newsletter and on the website. Nominations must be supported by two members. If the number of nominations exceed the number of vacancies an election is held.

The President-Elect is voted in by the Membership usually one year before the current President is due to stand down. Presidents may serve a term of two-three years.

New Trustees are given information about their legal responsibilities, terms of reference for Trustees, past meeting minutes, strategy documents and organisational, policy and financial background. They take part in an induction briefing with the President and Chief Executive.

Organisational structure

The Board of Trustees appoints various Committees and Chairmen to carry out the work of the Institute as shown below. Each Committee includes a representative of the Trustees and is supported by a member of the permanent IOR staff. The IOR employs a permanent secretariat of five staff members led by a Chief Executive.

Decision making policies

Trustees meet once a quarter for decision making purposes and may also make a resolution in writing or by email, by agreement of a simple majority. The Trustees have the power to delegate certain functions to a committee by determining the terms of reference. They can also authorise the formation of Branches. The Finance Committee is made up of a minimum of the Hon Treasurer, President and Immediate Past President and has authority for financial policies, monitoring of investment performance and resourcing including remuneration of staff based on merit and cost of living considerations. Policies are in place covering the reimbursement of Trustee expenses, Declaration of conflicts of interest of Trustees, Risk and financial management.

2.2 Trustees & Elections

Both the unincorporated IOR (250081) and the charitable incorporated organisation (1166869) share the same Trustees. The members who served as trustees on 1st April 2016 and throughout the year to 31st March 2017 are shown below.

The current President, Steve Gill FInstR, is due to complete his term as President in November 2018.



Bob Arthur
Elected Mem.



David Bostock
Elected Mem.



Roger Borer
Treasurer



Steve Gill
President



Kevin Glass
Elected Mem



Graeme Maidment
Past President



Matt Morton
Elected Mem.



Mike Nankivell
Elected Mem.



Chris Vallis
Elected Mem

2.3 Committees

- Annual Dinner - P Arrowsmith (Chairman), R Borer, C Green, L Green, R Hurley, R Kebby, J Loiselle, E Wright.
 - Education and Training – J Skelton (Chairman), J Ellis, G Maidment, J Gartshore, S Benton, S Green, S Gill.
 - Finance - G Maidment (Chairman), R Borer (Treasurer), S Gill, D Bostock (New).
 - International Refrigeration Committee – A Pearson (Chairman) D Bostock, M Camacho, J Evans, R Low, R Kebby, J Miller. The work of the Committee was supported by the following subscribing organisations: Asda Walmart, Cambridge Refrigeration Technology, GEA, Honeywell, Howden Compressors, Mexichem, J&E Hall International, KlimaTherm, Star Refrigeration, Spirex Sarco.
 - Membership - R Lamb (Chairman), J Emm, L Fiddler, I Forbes, B Hall, J Hobley, R Lamb, B Lyons, P Singh, SN Taliadoros, K Glass, B Burton (New), A Thomas (New), T Owens (New).
 - Papers and Publications - C Vines (Chairman), R AlDadah, DJG Butler, A Gigiel, M Woods, G Ye, D Cotter (New), J Thompson (New), P Wilson (New), KO Suen.
 - Service Engineers' Section & ACHPI Management Panel – G Adams (Chairman) I Fisher, D Garcia, P Stacey, J Suchar, B Williams, B Houghton (new), W Thompson (new).
 - Technical - AB Pearson (Chairman), P Arrowsmith, D Belcher, S Benton, DJG Butler, D Colbourne, J Evans, C Green, D Paget, MH Smith, G Wright (New).
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2.4 Branch & Society Contacts

- East Anglian Refrigeration Society - Cliff Sealy
- Northern Branch – Matt Morton
- IOR Scotland - Norrie Fraser
- London Refrigeration Society (affiliated) - Ron Filer, B O'Reilly
- Hampshire Society (affiliated) – John Hobley
- Birmingham Society (affiliated) – Paul Singh

2.5 External Representation & Co-operation

- Air Conditioning and Refrigeration Industry Board (IOR Directors J Ellis, S Gill, M Nankivell)
- ASHRAE Associate Alliance (S Gill, A Pearson)
- British Standards Institution and European and International Standards Review Committees (AB Pearson, P Dalton, D Colbourne, S Benton, D Paget, J Evans)
- International Institute of Refrigeration (UK delegate, J Evans)
- DEFRA F Gas Stakeholder meetings (M Rodway, M Nankivell)
- SIRACH (G Maidment, J Evans, L Waters)

2.6 Staff Members

- Miriam Rodway – Chief Executive
- Bawani Sarvendran – Accounts
- Clare Tooth – Membership
- Lisa Waters - Events Manager
- Duncan Gordon – Engagement and Research

2.7 Professional advisors

- Auditor – Myrus Smith Chartered Accountants, Norman House, 8 Burnell Road, Sutton SM1 4BW
- Legal advisor – Third Sector Law, 28-30 High Street, Guildford GU1 3EL
- Bankers – CAF Bank, 25 Kings Hill Ave, Kings Hill, West Malling, Kent ME19 4JQ and Royal Bank of Scotland Business Services.

Institute of Refrigeration Principal office
Kelvin House, 76 Mill Lane, Carshalton SM5 2JR UK

3.0 FINANCE & INVESTMENT POLICIES

The Trustees have prepared this report and results in the form of a Statement of Financial Activities in order to comply with the Statement of Recommended Practice for Charities.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Institute's aims and objectives and in planning future activities. The range of publications, events and projects provide benefit to the public by improving the effectiveness and efficiency of the refrigeration applications which underpin many aspects of public life. Specific activities and research such as developing a new standard for apprenticeships, encouraging careers, guidance to improve safety and encourage the use of low GWP refrigerants have a benefit to the environment and the public. Activities and outputs are made widely available through a well visited website and promoted via trade press.

3.1 Financial performance

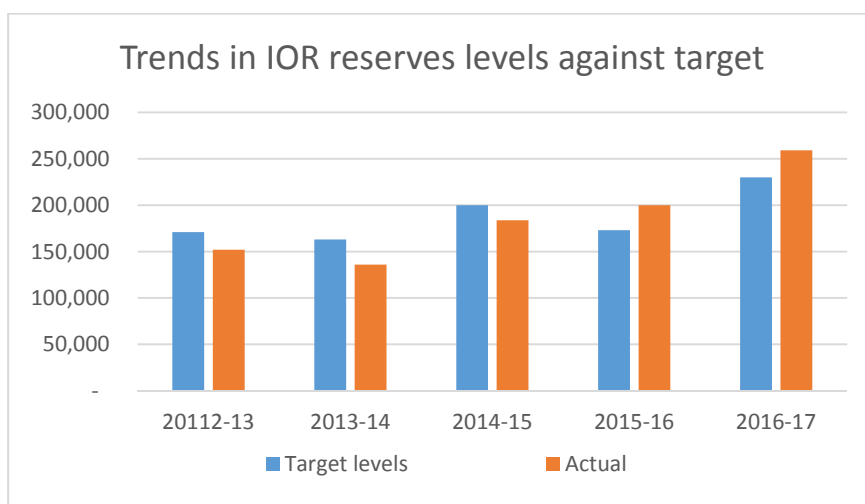
The Trustees budgeted for a substantial surplus this financial year due to the organisation of a major international conference (Gustav Lorentzen Natural Working Fluids) as well as new projects such as CryoHub coming on board. The IOR maintains a diverse range of income sources as well as a well-supported technical events and publications programme in order to mitigate risk of over reliance on one income source. An operating surplus of £79,147 was achieved before investment income and gains. Taking into account the annual reappraisal of investment values as at 31st March there was a net positive movement of funds of £135,717 for the year. This is very much a one off growth in funds due to a combination of extraordinary conference income and increased value of investments on the date of reappraisal compared to this time last year.

The reconciliation of funds at year end shows a total of £648,295 of which only £338,077 are in general funds whose use is unrestricted. These funds in their entirety were carried forward to the new IOR CIO as opening balances.

Financial forecast for the next few years show a financially strong IOR based on income from various new projects detailed in this report. Growing Membership remains a priority both to extend the Institute's range of benefits to a wider community and to provide a sustainable source of income to maintain services and public benefit. The addition of additional projects to our portfolio of activity will continue to be sought to replace those due to conclude in 2-3 years' time. The Trustees have taken the decision to budget additional expenditure to improve staff resourcing and develop more professional communications in the next financial year to provide the necessary resources support our charitable activities.

3.2 Management of funds

The Trustees have established a reserves policy to minimise the risk to the Charity of a downturn in income from its activities, and allow for the development of new areas of activity to meet its long term objectives. Trustees review this policy annually and consider that the appropriate level of reserves (shown in the IOR CIO accounts as unrestricted funds of £420,739 less tangible assets of £80,975) should be equivalent to six months operating expenditure (approximately £230,000). The current level of reserves, at just over £340,000, is therefore sufficient to allow for planned investments in increased staffing and communications resources. It should in addition be noted however that of the current reserves approximately £81,000 is held on behalf of Branches, the International Refrigeration Committee and the SIRACH.



Cash surplus to immediate needs is invested prudently in line with recognised good practice for Charities, in a balanced mix of bank and building society deposit accounts with the Royal Bank of Scotland, CAF Bank (charity) and Virgin Money Building Society as well as in tax-free Charity investment bonds, which provide long term growth as well as substantial regular dividends. The IOR maintains a broad range of investments to minimise risk. Over the longer term investment values have increased beyond that which would have been expected from simple bank-account based savings and these bonds continue to yield dividends. Trustees monitor the value of the bonds at each Council meeting.

Trustees carry out a regular review of risks associated with the on-going management of the Charity and a risk register is held. Trustees are satisfied that processes and procedures are in place to mitigate the impact of such risks on the operations of the charity.

Designated and Restricted funds expenditure is made directly on the purposes for which these funds were established as shown in the notes to the accounts (unincorporated IOR notes 15 & 16 and IOR CIO notes 9 & 10). Planned expenditure for the next period is as follows:

- Presidents fund will continue to support from its income, education initiatives as considered most effective by the President and Council
- Ted Perry award will provide prizes for student researchers
- CryoHub project grant will fund IOR costs related to dissemination of information about this 42 month EU sustainability research project
- Alternative Refrigerants fund will help to cover IOR costs for expanding existing learning materials on low GWP refrigerants internationally

The financial statements that follow show the current values of the restricted, unrestricted and cash funds of the unincorporated IOR Charity and new IOR CIO to which all finances have been transferred and summarise one year's movements.

Steve Gill FirstR

President

4.0 STATEMENT OF TRUSTEES' RESPONSIBILITIES

(Institute of Refrigeration, unincorporated association, Registered Charity No 250081)

The trustees are responsible for preparing the Council's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and 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 charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the trustees on 31st August 2017 and signed on its behalf by:

Steve Gill FInstR

Stephen Gill

President and Chairman of the Board of Trustees

5.0 INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements of The Institute of Refrigeration for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". This report is made solely to the charity's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Council and auditor As explained more fully in the Statement of Council's Responsibilities. The trustees are responsible for the preparation of financial statements which give a true and fair view. We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. 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 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 charity'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' Annual 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 charity's affairs as at 31 March 2017, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Norman House,
8 Burnell Road,
Sutton
Surrey
SM1 4BW
2017

MYRUS SMITH
Chartered Accountants
and Statutory Auditor

Myrus Smith is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

6.0 STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Income from:					
Donations and membership	2	183,767	4,085	187,852	188,055
Charitable activities	3	303,691	23,738	327,429	158,169
Other trading activities	4	1,415	-	1,415	1,350
Investments	5	7,060	14,244	21,304	18,345
Other	6	1,517	-	1,517	1,161
Total		497,450	42,067	539,517	365,080
Expenditure on:					
Raising funds and membership	7	21,724	-	21,724	33,520
Charitable activities	8	413,723	24,923	438,646	312,060
Total		435,447	24,923	460,370	345,580
Net income/(expenditure) before gains/(losses) on investments	9	62,003	17,144	79,147	19,500
Gain/(loss) on investment assets		20,659	35,911	56,570	(26,873)
Net income/(expenditure)		82,662	53,055	135,717	(7,373)
Transfer of assets and liabilities to new CIO		(420,739)	(363,273)	(784,012)	-
Net movement in funds		(338,077)	(310,218)	(648,295)	(7,373)
Reconciliation of funds					
Total funds brought forward		338,077	310,218	648,295	655,668
Total funds carried forward		£Nil	£Nil	£Nil	£648,295

The Statement of Financial Activities includes all gains and losses recognised in the year. All gains and losses derive from discontinued operations as all assets and liabilities were transferred to a newly registered Charitable Incorporated Organisation (with the same name and charitable objects) on 31 March 2017.

	Notes	2017 £	2016 £
Fixed Assets			
Tangible assets	11	-	86,495
Investments	12	-	427,187
		-	513,682
Current Assets			
Debtors	13	-	54,341
Cash at bank and in hand		-	206,525
		-	260,866
Creditors			
Amounts falling due within one year	14	-	126,253
Net Current Assets		-	134,613
Net Assets	17	£Nil	£648,295
Funds			
Restricted	15	-	310,218
Unrestricted	16	-	338,077
		£Nil	£648,295

Approved on behalf of the Council on 31 August 2017 and signed on its behalf by

Steve Gill FInstR

Stephen Gill

The following notes form part of these Financial Statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

	2017 £	2016 £
Cash flows from operating activities		
Net movement in funds per statement of financial activities	(648,295)	(7,373)
Adjustments for:		
Depreciation charges	5,520	5,520
Dividends and interest receivable	(21,304)	(18,345)
(Gains) / losses on disposal of tangible fixed assets	80,975	-
(Gains) / losses on disposal of investments	424,592	26,873
(Increase) / decrease in debtors	54,341	(15,289)
Increase / (decrease) in creditors	(126,253)	(30,162)
Net cash provided by / (used in) operating activities	(230,424)	(38,756)
Cash flows from investing activities		
Dividends and interest received	21,304	18,345
Purchase of listed investments	(95,000)	(50,000)
Proceeds from sale of listed investments	97,595	-
Purchase of tangible fixed assets	-	(4,450)
Net cash provided by / (used in) investing activities	23,899	(36,105)
Change in cash and cash equivalents in the year	(206,525)	(74,861)
Cash and cash equivalents brought forward	206,525	281,386
Cash and cash equivalents carried forward	£Nil	£206,525

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

- a) **Basis of preparation** The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared under the historical cost convention in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The financial statements are not prepared on the going concern basis as all assets and liabilities have been transferred to a newly registered Charitable Incorporated Organisation (with the same name and charitable objects) on 31 March 2017. The registered number of the new CIO is 1166869. Tangible fixed assets were transferred at net book value as at 31 March 2017. Fixed asset investments, current assets and liabilities were transferred at fair value on 31 March 2017. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.
- b) **Income recognition** Items of income are recognised in the financial statements when all of the following criteria are met:
- The charity has entitlement to the funds;
 - any performance conditions have been met or are fully within the control of the charity;
 - there is sufficient certainty that receipt of the income is considered probably; and
 - the amount can be measured reliably.
- c) **Expenditure recognition** Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount can be measured reliably. Expenditure is classified under the following activity headings:
- Costs of raising funds comprise those costs associated with maintaining the membership database
 - Expenditure on charitable activities includes the cost of running the institute's educational programmes, conferences, annual dinner and other networking events and the dissemination of technical publications
- Expenditure includes those costs which relate directly to each activity and also indirect costs, including governance costs that are necessary to support those activities.
- d) **Fund accounting** Unrestricted general funds are those funds which are freely available for use in furtherance of the objects of the charity and which have not been designated for a particular purpose. Designated funds are unrestricted funds set aside by the trustees for particular purposes. Restricted funds are funds which can only be used in accordance with the wishes of the donor or which have been raised for a particular purpose.
- e) **Fixed assets and depreciation** Tangible assets costing more than £500 are capitalised. Depreciation is provided so as to write off the cost of each asset over its estimated useful life at the following rates:
- | | |
|-------------------|-------------------|
| Freehold property | 2% straight line |
| Office Equipment | 25% straight line |
- f) **Investments** Investments are initially recognised at cost and are subsequently restated at market value at the end of each accounting period with the gain or loss reported in the Statement of Financial Activities.
- g) **Leases** Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.
- h) **Pensions** The Institute operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities in the year to which they relate.

2. DONATIONS AND MEMBERSHIP

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Membership subscriptions				
General	156,431	-	156,431	155,615
SES and ACHPI	23,842	-	23,842	27,765
Other donations and sponsorship	3,494	4,085	7,579	2,675
	<u>£183,767</u>	<u>£4,085</u>	<u>£187,852</u>	<u>£186,055</u>

Of the £186,055 received in 2016, £183,880 was unrestricted funds and £2,175 was restricted funds.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Project grants	19,875	23,738	43,613	30,706
Annual dinner and networking events	95,675	-	95,675	92,873
Conferences	158,955	-	158,955	3,330
ACRIB management fee	27,500	-	27,500	27,500
Sales of publications	1,686	-	1,686	3,760
	<u>£303,691</u>	<u>£23,738</u>	<u>£327,429</u>	<u>£158,169</u>

Of the £158,169 received in 2016, £139,851 was unrestricted funds and £18,318 was restricted funds.

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Advertising and merchandise	£1,415	£Nil	£1,415	£1,350

All of the £1,350 received in 2016 was unrestricted funds.

5. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Bank interest and dividends	£7,060	£14,244	£21,304	£18,345

Of the £18,345 received in 2016, £6,710 was unrestricted funds and £11,635 was restricted funds.

6. OTHER INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Royalties	£1,517	£Nil	£1,517	£1,161

All of the £1,161 received in 2016 was unrestricted funds.

7. COST OF RAISING FUNDS

	Direct costs £	Support costs £	Total 2017 £	Total 2016 £
Membership scheme				
General IOR	9,238	9,662	18,900	28,492
SES and ACHPI	1,380	1,444	2,824	5,028
	<u>£10,618</u>	<u>£11,106</u>	<u>£21,724</u>	<u>£33,520</u>

All of the £33,520 expenditure in 2016 was charged to unrestricted funds.

8. EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs £	Support costs £	Total 2017 £	Total 2016 £
Analysis by activity:				
Education	66,393	13,170	79,563	78,612
Member services	24,774	10,038	34,812	32,616
Projects -				
CryoHub	22,989	5,482	28,471	-
SIRACH	9,357	3,417	12,774	20,522
Real Skills	6,816	2,136	8,952	19,109
Real Alternative	10,964	2,135	13,099	24,858
Annual dinner and networking events	93,872	7,903	101,775	136,343
Conferences	143,295	15,805	159,100	-
	<u>£378,560</u>	<u>£60,086</u>	<u>£438,646</u>	<u>£312,060</u>

Of the £312,060 expenditure in 2016, £279,523 was charged to unrestricted funds and £32,537 was charged to restricted funds

	Raising funds £	Charitable activities £	Total 2017 £	Total 2016 £
Analysis of support costs:				
Staff costs	3,324	17,985	21,309	20,788
Office costs	3,640	19,690	23,330	28,628
Premises costs	1,401	7,580	8,981	11,686
Legal and professional	257	1,393	1,650	10,468
Governance costs	879	4,753	5,632	4,403
Subscriptions	1,605	8,685	10,290	7,591
	<u>£11,106</u>	<u>£60,086</u>	<u>£71,192</u>	<u>£83,564</u>

9. NET INCOME/(EXPENDITURE) FOR THE YEAR	2017	2016
This is stated after charging:		
Operating lease rentals	£2,708	£3,244
Depreciation	£5,520	£5,520
Auditors' remuneration - audit services	£3,111	£3,316
- non-audit services	£800	£800
	<u>£12,139</u>	<u>£12,880</u>

10. STAFF COSTS	2017	2016
	£	£
Wages and salaries	134,326	138,080
Social security costs	14,060	12,688
Pension costs	8,915	10,337
Health insurance	2,609	2,359
	<u>£159,910</u>	<u>£163,464</u>

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2017	2016
	No.	No.
£60,000 - £70,000	-	1
£70,000 - £80,000	1	-
	<u>1</u>	<u>1</u>

The average monthly number of employees was 4.0 (2016:4.7). The full time equivalent number of employees analysed by activity is as follows:

	2017	2016
	No.	No.
Membership scheme and member services	0.8	1.0
Education	0.5	0.5
Projects	0.5	0.6
Dinner, conferences and other networking events	0.9	0.9
Support	0.7	0.7
	<u>3.4</u>	<u>3.7</u>

11. TANGIBLE FIXED ASSETS	Freehold Property	Office Equipment	Total
	£	£	£
Cost			
At 1 April 2016 and Disposals	123,086 (123,086)	70,837 (70,837)	193,923 (193,923)
At 31 March 2017	-	-	-
Depreciation			
At 1 April 2016	43,819	63,609	107,428
Charge for the year	2,462	3,058	5,520
Eliminated on disposal	(46,281)	(66,667)	(112,948)
At 31 March 2017	-	-	-
Net Book Value			
At 31 March 2017	£Nil	£Nil	£Nil
At 31 March 2016	<u>£79,267</u>	<u>£7,228</u>	<u>£86,495</u>

12. FIXED ASSET INVESTMENTS	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2017	2017	2017	2016
	£	£	£	£
Quoted UK Investments				
Market value 1 April 2016	133,917	293,270	427,187	404,060
Additions	36,103	58,897	95,000	50,000
Disposals at opening market value	(170,020)	(352,167)	(522,187)	-
Net unrealised investment gains/(losses)	-	-	-	(26,873)
Market value 31 March 2017	<u>£Nil</u>	<u>£Nil</u>	<u>£Nil</u>	<u>£427,187</u>
Historical cost as at 31 March 2017	<u>£Nil</u>	<u>£Nil</u>	<u>£Nil</u>	<u>£289,908</u>
Historical costs as at 31 March 2016	<u>£85,971</u>	<u>£203,937</u>	<u>£259,908</u>	

13. DEBTORS	2017	2016
	£	£
Trade debtors	-	28,778
Prepayments and Accrued Income	-	13,624
Other Debtors	-	11,939
	<u>£Nil</u>	<u>£54,341</u>

14. CREDITORS	2017	2016
	£	£
Amounts falling due within one year	-	80,548
Other Creditors and Accruals	-	27,533
Subscriptions Received in Advance	-	14,856
Social Security and other Taxes	-	3,516
Due to Leonardo Partners	-	-
	<u>£Nil</u>	<u>£126,253</u>

15. RESTRICTED FUNDS

	Balance 1 April 2016 £	Income (incl. gains) £	Expenditure (incl. losses) £	Transfers of assets to CIO £	Balance 31 March 2017 £
President's Fund	221,109	38,684	1,873	(257,920)	-
Mike Tinsley Fund	33,255	5,324	-	(38,579)	-
Refrigeration Aberdeen Fund	34,460	6,377	-	(40,837)	-
Ted Perry Award	21,394	3,855	142	(25,107)	-
CryoHub Project	-	23,738	22,908	(830)	-
	<u>£310,218</u>	<u>£77,978</u>	<u>£24,923</u>	<u>£(363,273)</u>	<u>£Nil</u>

The President's Fund was established to enhance the standing of the Institute. In addition to the special donations below, it has been supported by J Sainsbury plc, Star Refrigeration Ltd, Dean & Wood Ltd, Copeland Corp, WR Refrigeration and C-Dig.

"Mike Tinsley Fund" is Linde Refrigeration Ltd's memorial to Mike Tinsley for the benefit of the industry and, as opportunity arises, to encourage young refrigeration engineers, especially the physically handicapped.

"Refrigeration Aberdeen Fund" was a gift to the Scottish Branch.

"Ted Perry Award", funds the purchase of a set of ASHRAE manuals as a prize to the winner of the Ted Perry Memorial Award.

The CryoHub project is a programme funded by the European Union to develop and investigate the potential of large-scale cryogenic energy storage at refrigerated warehouses and food factories. There are a number of project partners involved in the programme. The Institute's contribution relates to communication, branding and dissemination.

16. UNRESTRICTED FUNDS

	Balance 31 March 2016 £	Income (incl. gains) £	Expenditure (incl. losses) £	Transfers Between Trusts £	Transfers of assets to CIO £	Balance 31 March 2017 £
General Fund	338,077	518,109	435,447	(35,000)	(385,739)	-
Designated Fund - Alternative Refrigerants	-	-	-	35,000	(35,000)	-
	<u>£338,077</u>	<u>£518,109</u>	<u>£435,447</u>	<u>£Nil</u>	<u>£(420,739)</u>	<u>£Nil</u>

The Alternative Refrigerants designated fund was set up by the trustees utilising the surplus from the Gustav Lorentzen conference held during the year. £35,000 broadly represents the surplus based on direct costs without taking account of the Institute's own staff costs and overheads. The purpose of the fund is to cover the costs of alternative refrigerants training on future IOR projects.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total 2017 £	Total 2016 £
Restricted Funds					
President's Fund	-	-	-	-	221,109
Mike Tinsley Fund	-	-	-	-	33,255
Refrigeration Aberdeen Fund	-	-	-	-	34,460
Ted Perry Award	-	-	-	-	21,394
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>310,218</u>
Unrestricted Funds					
General Fund	-	-	-	-	338,077
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>338,077</u>
Total Funds	<u>£Nil</u>	<u>£Nil</u>	<u>£Nil</u>	<u>£Nil</u>	<u>£648,295</u>

18. COMMITMENTS

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Due within:		
One year	-	2,708
One to five years	-	3,611
	<u>£Nil</u>	<u>£6,319</u>

19. RELATED PARTY DISCLOSURES

Air Conditioning and Refrigeration Industry Board (ACRIB)

The Institute charged ACRIB £36,688 (2016: £37,158) for shared facilities, management and expenses during the year. £17,438 of this remained outstanding at the year-end (2016: £8,690).

The Institute paid ACRIB a membership subscription of £4,985 (2016: £4,985).

The Institute has a number of trustees who are also directors of ACRIB.

Key Management

Total employee benefits received by key management amounted to £75,712 (2016: £73,012).

Trustees' remuneration of expenses

The trustees received no remuneration in 2017 or 2016. Travel and accommodation expenses of £1,171 (2016: £487) were reimbursed to one (2016: one) trustee.

20. FREEHOLD PROPERTY

The Institute has transferred the title of its freehold property at Kelvin House, 76 Mill Lane, Carshalton, SM5 2JR to The Official Custodian for Charities to be held on its behalf. The transfer was made on 30 January 2006 and registered with the Land Registry on 17 February 2006.

7.0 STATEMENT OF TRUSTEE'S RESPONSIBILITIES

(Institute of Refrigeration, Charitable Incorporated Organisation Registered
3rd May 2016 No 1166869)

The trustees are responsible for preparing the Council's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and 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 charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the trustees on 31 August 2017 and signed on its behalf by:

Stephen Gill
President and Chairman of the Board of Trustees

8.0 INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements of The Institute of Refrigeration for the period 3 May 2016 to 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charity's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Council and auditor As explained more fully in the Statement of Council's Responsibilities. The trustees are responsible for the preparation of financial statements which give a true and fair view. We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. 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 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 charity'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' Annual 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 charity's affairs as at 31 March 2017, and of its incoming resources and application of resources, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Norman House,
8 Burnell Road,
Sutton
Surrey
SM1 4BW

MYRUS SMITH
Chartered Accountants
and Statutory Auditor

2017

Myrus Smith is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

9.0 STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Income from:				
Donations	2	420,739	363,273	784,012
Total		<u>420,739</u>	<u>363,273</u>	<u>784,012</u>
Expenditure on:				
Charitable activities		-	-	-
Total		<u>-</u>	<u>-</u>	<u>-</u>
Net income/(expenditure) before transfers	3	420,739	363,273	784,012
Transfers between funds		-	-	-
Net movement in funds		<u>420,739</u>	<u>363,273</u>	<u>784,012</u>
Reconciliation of funds				
Total funds brought forward		-	-	-
Total funds carried forward		<u>£420,739</u>	<u>£363,273</u>	<u>£784,012</u>

The following notes form part of these Financial Statements

BALANCE SHEET AS AT 31 MARCH 2017

	Notes	2017 £	2017 £
Fixed Assets			
Tangible Assets	4		80,975
Investments	5		481,162
			<u>562,137</u>
Current Assets			
Debtors	6	30,924	
Cash at Bank and in Hand		292,591	
		<u>323,515</u>	
Creditors			
Amounts falling due within one year	7	101,640	
		<u></u>	
Net Current Assets			<u>221,875</u>
Net Assets	10		<u>£784,012</u>
Funds			
Restricted	8		363,273
Unrestricted	9		420,739
			<u>£784,012</u>

Approved on behalf of the Council on 31 August 2017 and signed on its behalf by

Steve Gill FInstR

Stephen Gill

CASH FLOW STATEMENT
FOR THE PERIOD 3 MAY 2016 TO 31 MARCH 2017

	2017 £
Cash flows from operating activities	
Net movement in funds per statement of financial activities	784,012
Adjustments for:	
(Increase) / decrease in debtors	(30,924)
Increase / (decrease) in creditors	101,640
Net cash provided by / (used in) operating activities	854,728
Cash flows from investing activities	
Purchase of listed investments	(481,162)
Purchase of tangible fixed assets	(80,975)
Net cash provided by / (used in) investing activities	(562,137)
Change in cash and cash equivalents in the year	292,591
Cash and cash equivalents brought forward	-
Cash and cash equivalents carried forward	£292,591

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 3 MAY 2016 TO 31 MARCH 2017

1. ACCOUNTING POLICIES

- a) **Basis of preparation** The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The financial statements are prepared on a going concern basis and under the historical cost convention. The significant accounting policies applied in the preparation of these financial statements are set out below.
- b) **Income recognition** Items of income are recognised in the financial statements when all of the following criteria are met:
- The charity has entitlement to the funds;
 - any performance conditions have been met or are fully within the control of the charity;
 - there is sufficient certainty that receipt of the income is considered probable; and
 - the amount can be measured reliably.
- c) **Expenditure recognition** Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount can be measured reliably. Expenditure is classified under the following activity headings:
- Costs of raising funds comprise those costs associated with maintaining the membership database
 - Expenditure on charitable activities includes the cost of running the institute's educational programmes, conferences, annual dinner and other networking events and the dissemination of technical publications
- Expenditure includes those costs which relate directly to each activity and also indirect costs, including governance costs that are necessary to support those activities.
- d) **Fund accounting** Unrestricted general funds are those funds which are freely available for use in furtherance of the objects of the charity and which have not been designated for a particular purpose. Designated funds are unrestricted funds set aside by the trustees for particular purposes. Restricted funds are funds which can only be used in accordance with the wishes of the donor or which have been raised for a particular purpose.
- e) **Fixed assets and depreciation** Tangible assets costing more than £500 are capitalised. Depreciation is provided so as to write off the cost of each asset over its estimated useful life at the following rates:
- | | |
|-------------------|-------------------|
| Freehold property | 2% straight line |
| Office Equipment | 25% straight line |
- f) **Investments** Investments are initially recognised at cost and are subsequently restated at market value at the end of each accounting period with the gain or loss reported in the Statement of Financial Activities.
- g) **Leases** Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.
- h) **Pensions** The Institute operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities in the year to which they relate.

2. DONATIONS

	Unrestricted Funds	Restricted Funds	Total 2017
Transfer of assets and liabilities from unincorporated charity	£420,739	£363,273	£784,012

3. NET INCOME FOR THE PERIOD

2017

This is stated after charging:

Depreciation	£Nil
Auditors' remuneration	£Nil

The audit fee is recognised in the unincorporated charity accounts.

4. TANGIBLE FIXED ASSETS

	Freehold Property £	Office Equipment £	Total £
Cost			
Additions (original cost in unincorporated charity)	123,086	70,837	193,923
At 31 March 2017	123,086	70,837	193,923
Depreciation			
Accumulated depreciation in unincorporated charity	46,281	66,667	112,948
At 31 March 2017	46,281	66,667	112,948
Net Book Value			
At 31 March 2017	£76,805	£4,170	£80,975

5. FIXED ASSET INVESTMENTS

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
Quoted UK Investments			
Additions	153,590	327,572	481,162
Market value 31 March 2017	£153,590	£327,572	£481,162
Historical cost as at 31 March 2017	£91,835	£211,533	£303,368

Historical Cost represents the original cost paid by the unincorporated charity.

6. DEBTORS

2017

	£
Trade debtors	14,139
Prepayments and accrued income	3,247
Other debtors	13,538
	£30,924

7. CREDITORS

2017

	£
Amounts falling due within one year	
Other creditors and accruals	40,968
Accruals	17,580
Social security and other taxes	3,990
Deferred income	39,102
	£101,640

Analysis of deferred income:

	Additions in period	Released to income	Balance carried forward
Membership subscriptions	£30,130	£Nil	£30,130

8. RESTRICTED FUNDS

	Income	Expenditure	Transfers	Balance 31 March 2017
	£	£	£	£
President's Fund	257,919	-	-	257,919
Mike Tinsley Fund	38,579	-	-	38,579
Refrigeration Aberdeen Fund	40,837	-	-	40,837
Ted Perry Award	25,107	-	-	25,107
CryoHub Project	831	-	-	831
	<u>£363,273</u>	<u>£Nil</u>	<u>£Nil</u>	<u>£363,273</u>

The President's Fund was established to enhance the standing of the Institute. In addition to the special donations below, it has been supported by J Sainsbury plc, Star Refrigeration Ltd, Dean & Wood Ltd, Copeland Corp, WR Refrigeration and C-Dig.

"Mike Tinsley Fund" is Linde Refrigeration Ltd's memorial to Mike Tinsley for the benefit of the industry and, as opportunity arises, to encourage young refrigeration engineers, especially the physically handicapped.

"Refrigeration Aberdeen Fund" was a gift to the Scottish Branch.

"Ted Perry Award", funds the purchase of a set of ASHRAE manuals as a prize to the winner of the Ted Perry Memorial Award.

The CryoHub project is a programme funded by the European Union to develop and investigate the potential of large-scale cryogenic energy storage at refrigerated warehouses and food factories. There are a number of project partners involved in the programme. The Institute's contribution relates to communication, branding and dissemination.

9. UNRESTRICTED FUNDS

	Income	Expenditure	Transfers	Balance 31 March 2017
	£	£	£	£
General Fund	385,739	-	-	385,739
Designated Fund – Alternative Refrigerants	35,000	-	-	35,000
	<u>£420,739</u>	<u>£Nil</u>	<u>£Nil</u>	<u>£420,739</u>

The Alternative Refrigerants designated fund was set up by the trustees utilising the surplus from the Gustav Lorentzen conference held during the year. £35,000 broadly represents the surplus based on direct costs without taking account of the Institute's own staff costs and overheads. The purpose of the fund is to cover the costs of alternative refrigerants training on future IOR projects.

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets	Investments	Net Current Assets	Total 2017
	£	£	£	£
Restricted Funds				
President's Fund	-	254,211	3,708	257,919
Mike Tinsley Fund	-	25,191	13,388	38,579
Refrigeration Aberdeen Fund	-	29,626	11,211	40,837
Ted Perry Award	-	18,544	6,563	25,107
CryoHub Project	-	-	831	831
	<u>-</u>	<u>327,572</u>	<u>35,701</u>	<u>363,273</u>
Unrestricted Funds				
General Fund	80,975	153,590	151,174	385,739
Alternative Refrigerants Fund	-	-	35,000	35,000
	<u>80,975</u>	<u>153,590</u>	<u>186,174</u>	<u>420,739</u>
Total Funds	<u>£80,975</u>	<u>£481,162</u>	<u>£221,875</u>	<u>£784,012</u>

11. COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2017 £
Due within:	
One year	2,708
One to five years	903
	<u>£3,611</u>

12. RELATED PARTY DISCLOSURES

Details of related party transactions during the period are as follows: The Institute was owed £17,488 by the Air Conditioning and Refrigeration Industry Board (ACRIB) at 31 March 2017. The Institute has a number of trustees who are also directors of ACRIB.

13. FREEHOLD PROPERTY

The Institute has transferred the title of its freehold property at Kelvin House, 76 Mill Lane, Carshalton, SM5 2JR to The Official Custodian for Charities to be held on its behalf. The transfer was made on 30 January 2006 and registered with the Land Registry on 17 February 2006.