

Registered number: 00606601
Charity number: 244812

The Institute of Quarrying

Trustees' Report and Financial Statements

For the year ended 31 December 2019



The Institute of Quarrying
(A Company Limited by Guarantee)

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The Institute of Quarrying
(A Company Limited by Guarantee)

Reference and Administrative Details of the Company, its Trustees and Advisers
For the year ended 31 December 2019

Trustees

M Riley, Chairman
PK Redmond, President
VG Russell, Deputy Chairman
K Gough
CR Jenkins
R Donnelly
FD Johnston
PFW Cottrell
BM Uphill
MR Dobson

Company registered number

00606601

Charity registered number

244812

Registered office

McPherson House
8a Regan Way
Chetwynd Business Park
Chilwell
Nottingham
NG9 6RZ

Company secretary

JE Thorne

Independent auditors

Dains LLP
Statutory Auditor
2 Etruria Office Village
Forge Lane
Stoke on Trent
Staffordshire
ST1 5RQ

The Institute of Quarrying
(A Company Limited by Guarantee)

Reference and Administrative Details of the Company, its Trustees and Advisers (continued)
For the year ended 31 December 2019

Bankers

Lloyds Bank Plc
Parliament Street
Nottingham
NG1 3DA

Solicitors

Harvey Ingram Shakespeares LLP
20 New Walk
Leicester
LE1 6TX

Investment Advisors

Investec Wealth and Investment
Beech House
61 Napier Street
Sheffield
S11 8HA

The Institute of Quarrying
(A Company Limited by Guarantee)

Trustees' Report
For the year ended 31 December 2019

The Trustees present their annual report together with the audited financial statements of The Institute of Quarrying for the year 1 January 2019 to 31 December 2019. The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provision of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The Institute of Quarrying has charitable status and is a company limited by guarantee. Its primary objective is 'to advance the science, practice and professionalism of quarrying through education, training and the encouragement of progressive improvements in standards of business, technical and environmental performance'.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

During 2019 the Institute began the implementation of its five-year strategy incorporating four strategic pillars to support achieving its charitable purpose.

b. Strategies for achieving objectives

The strategy has four pillars;

- Be the global leader for standards in the mineral extractives' profession
- Drive innovation and operational best practice
- Support the industry in driving healthy, sustainable workplaces
- Promote the positive impact of the industry and profession

c. Membership engagement and growth

The Institute seeks to grow its membership through new members joining and retaining its existing membership base. As such the Institute sets targets and monitors performance for member retention and recruitment. The objective for the Institute in line with its charitable purpose is to have an engaged and growing membership globally.

The primary route to membership retention is through member engagement and services. The Institute's regional Branch structure delivers regular events across the UK to support members in developing and maintaining their technical knowledge.

Trustees' Report (continued)
For the year ended 31 December 2019

Objectives and activities (continued)

d. Training and education delivered

The organisation has developed and delivered a number of courses which are delivered in the UK and internationally in conjunction with its partnership with the University of Derby Centre for Mineral Products.

The courses cover core areas of knowledge and skills with relation to the minerals extractive processes. The Institute remains committed to supporting the development of knowledge and skills in key areas including Health and Safety.

e. Activities for achieving objectives

Through industry relevant education, training programmes, good practice guidance materials, conferences and Branch technical events, the Institute supports members in developing quarrying professionals' skills and competence to enable them to:

- make on-going improvements in the way that the essential raw materials which underpin our society are won from the ground, processed and delivered to the market
- ensure the health, safety and welfare of the workforce and site visitors is accorded the highest priority
- operate extractive sites in line with the best international standards for the protection of the environment
- ensure members are mindful of their social responsibilities and the need to be good neighbours in the communities in which they operate

f. Volunteers

The Institute relies heavily on its volunteer network to support its activities, from the Board of Trustees and Council through to regional Branch committees. The Branch committees provide a varied range of technical evenings and events to enable members to access relevant Continuing Professional Development (CPD) supporting their development of knowledge and skills. The Branches also provide a valuable way for members to network.

Members also provide their technical knowledge and experience in supporting the development of information, technical books, guidance and training courses enabling the Institute to deliver current and relevant support to its members and the wider industry.

g. Financial performance

Financial performance is outlined in the report below and shows the day to day operational performance of the organisation alongside the performance in relation to special projects.

Achievements and performance

2019 saw a range of new activities launched by the Institute in line with its strategic objectives with the aim of laying solid foundations for the future growth of the organisation.

The Institute of Quarrying
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Trustees' Report (continued)
For the year ended 31 December 2019

Achievements and performance (continued)

a. Key performance indicators

The key performance indicators for the 2019 period related to five key areas of operation;

- Operational financial stability
- Membership recruitment and retention
- Membership services
- Delivery of education and training
- Delivery of projects to support the ongoing development of the Institutes' capability to deliver services to its members and the industry

The financial report outlines the performance for the year and highlights that with investment income, the Institute created a surplus of £393,468 for 2019. This surplus will be reinvested in 2020, and will go towards the continuing delivery and development of the charitable purposes of the Institute.

The member numbers for 2019 remained broadly flat in line with previous years. Whilst retention figures remained consistently strong, new member figures were also higher than previous years but short of target. This was against a backdrop of uncertainty for the industry primarily due to Brexit and delays in investment in key infrastructure projects.

New membership services were delivered during 2019 as planned and detailed in the report below. The Institutes' education programmes were delivered broadly in line with expectations both in the UK and internationally.

The Institute has also continued to discuss with the Presidents' from the affiliated national institutes and branches on collaborating to deliver the Presidents' fund project and discussions around international activity. Through 2019 further work took place to establish the International Presidents' Fund with payments to be made at the beginning of 2020 and launch in 2020.

Trustees' Report (continued)
For the year ended 31 December 2019

Achievements and performance (continued)

b. Membership Services

The Institute is committed to supporting members in developing and maintaining their skills and knowledge throughout their working lives. To complement the formal educational and training available, the Institute provides a range of services to support members in sharing and accessing information in order to maintain their CPD.

2019 saw the launch of new activities to continue the progress made in 2018. The three key activities were the development and launch of the IQON TV series with two episodes launched covering Health and Safety and Leadership.

The IQ Excellence awards were also launched promoting members achievements both as individuals and projects aligned to the IQ Skills Wheel. The first phase was a series of regional heats with finals linked to IQ Branch dinner dances.

The final project supported with the reserves created in 2018 was the establishment of the IQ member app. The project had two strands the development of an app to support UK members in accessing key information and activities as part of their membership. The second strand was in conjunction with the affiliated IQ's globally to launch an IQ subscriber app for parts of the world where there is currently no IQ Branch. The international project aligns with the charitable aims of the institute to advance the practice and science of quarrying globally along with the strategic aim to grow the profile and membership in the longer term.

Branches

The IQ Branches provide a range of technical evenings, seminars, site visits and Safety days covering a wide range of topics to support members in gaining relevant CPD. The Branch meetings also provide members with the opportunity to share best practice and discuss their experiences.

The Branches continue to be the core focal point for much of the members activity and 2019 saw strong attendance by members and the wider industry at the Branch Health and Safety events. These delivered key information and updates on the latest health & safety issues facing the industry. These were complemented with the first Midlands Health and Safety day held in November to support members in the region and start new activities in the region.

Quarry Management

'Quarry Management' has been the official monthly Journal of The Institute of Quarrying for many years. It provides timely, relevant and topical coverage of all the key issues, developments and advances in the aggregates sector. It is provided to all members as part of their subscription package and is also available on a subscription basis. In partnership with QMJ Publishing Ltd, the magazine's publishers, a mobile phone and tablet 'app' has been developed to allow members and other subscribers to read the journal in electronic format.

Technical Handbooks

The Institute's range of handbooks for use in both education and industry is comprised of six hard copy volumes:-

- Environmental Management
- Health & Safety Law in Quarries
- Crushing and Screening
- Asphalt Production
- Sand & Gravel Production
- Use of Explosives in Quarries

Trustees' Report (continued)
For the year ended 31 December 2019

Achievements and performance (continued)

The Crushing & Screening book and the Health and Safety Law in Quarries books were reviewed and revised by panels of industry experts and launched in 2019.

Further updates of the other handbooks will take place in 2020.

Website

The Institute runs an extensive website which offers a range of information for public view. Apart from sections about the Institute itself, the website also includes information on:

- Meetings, conferences and events
- News and topical issues
- Feeds and links to social media, providing up-to-date comment on industry issues
- Education and training courses
- Case studies on career paths within the industry and links to other industry sources
- Useful information about quarrying and use of minerals in society

c. Education

The Institute believes education and training is a life-long process starting with initial qualifications gained at school, college or university and following to vocational training and development through attendance at conferences, seminars, training courses, competence assessment schemes, workshops, technical meetings, site visits and the updating of knowledge by reading the Institute's journals, technical and management papers and textbooks.

Academic Qualifications

The Institute has a partnership agreement with the University of Derby for the delivery of distance learning courses from Apprenticeship level 3 and foundation degrees through to full honours degree. The courses provide clear academic pathways to support individuals in gaining core technical knowledge whilst maintaining employment within the industry. This flexibility enables learners to apply their learning in real world situations. This approach has proven to deliver the skills and knowledge that are critical to operators within the sector.

The Institute of Quarrying
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Trustees' Report (continued)
For the year ended 31 December 2019

Achievements and performance (continued)

d. Standards

Setting Standards and guidance

The Institute plays an active role in supporting Minerals Products Qualifications Council (MPQC), the standards setting organisation, for the manufacturing and process industries. This organisation is tasked with promoting the improvement of skills within its footprint at all levels and is supported by industry, trade associations, professional bodies and trade unions.

In 2018 the Institute continued in its role of Chair of the Quarries National Joint Advisory Committee (QNJAC). QNJAC is committed to making the industry a safer place, achieved through the raising of training, standards and competence. In essence, providing essential health & safety guidance to quarries.

The Institute is also an integral member of the Strategic Forum in Health and Safety for the Mineral Products sector. The Forum was brought together at the beginning of 2018 with the aim of tackling the rise in incidents and fatalities seen within the industry during 2017.

The Forum agreed that it would focus its first campaign on eliminating entrapment for 2019 with the Institute working with Mineral Products Qualifications Council (MPQC) to deliver a training module to support the campaign.

During 2019 the Institute also established its Professional Standards Committee (PSC) which is made up of volunteers from the membership and wider industry. The purpose of the committee in 2019 was to review the membership criteria and education pathways ensuring they meet the needs of the profession both in the short and long term.

Continuing Professional Development

Fellows, Members and Technical Members of the Institute are required to undertake a minimum of 30 hours of valid CPD each year: a policy which is enforced by the Institute through random sampling. All other members are strongly encouraged to take part in the CPD programme, which is the recording of identified training and development needs as part of the process of lifelong learning. Certificates of Achievement are awarded once 100, 500, 750, 1,000, 1500 & 2000 hours of audited CPD activity have been logged.

e. Investment policy and performance

During the year, the investments made a realised profit on sales amounting to £19,861 and an unrealised gain on the value of investments amounting to £380,848.

Financial review

The Institute has two primary income streams: from membership subscriptions and from education and training activities. These are supplemented by income from investments.

The Institute made a surplus of £393,468, after gains on investments, for 2019. In the core activities the income from membership subscriptions and training was below the forecast expected for the year but this was balanced by the gains in valuation of investments.

The Institute of Quarrying
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Trustees' Report (continued)
For the year ended 31 December 2019

Financial review (continued)

a. Principal risks and uncertainties

The Trustees have reviewed the principle risks for the Institute and has highlighted the following concerns:

1. Exposure to market volatility

a) Listed investments

At 31 December 2019, the Institute had reserves of £2,532,696 invested in a number of publicly quoted funds. The Trustees recognise that such values can fall as well as rise during the year. For this reason the Trustees ensure that risks are controlled by a wide spread of investments in different asset classes with adequate reserves being retained to provide financial stability during times when investment values have fallen.

b) Unlisted investment

QMJ Group Ltd was founded in 1924 by the Institute, which retains a 29.23% stake in the company, currently valued at £904,231. The two organisations historically shared both office accommodation and staff and QMJ has provided a significant proportion of the Institute's income over previous decades. The Trustees accept that profits in the publishing business will fluctuate at different points in the economic cycle and adequate reserves are therefore retained in other forms of investment to counter the effect of periodic reductions in dividend income.

Subsequent to the Charitable Company's year-end, the scale and spread of Covid-19 (Coronavirus) virus worldwide and the actions taken by governments affected, has caused and will continue to cause disruption to almost all sectors and financial markets. As a result, there was a dramatic downturn in global markets in March 2020. The outbreak is having significant financial impact and the trustees are monitoring the situation and are considering how best to respond to the emerging issues.

2. Membership subscription income

As subscriptions are often paid by the employer on behalf of an individual member, membership to the Institute is heavily reliant on the support of the major companies within the industry. Should the support of one or more of those companies be withdrawn for any reason, then the membership and subsequent subscription income would be reduced. Thus, the Trustees consider it appropriate to hold reserves against this eventuality.

3. Education and training income

Revenue from the courses run in partnership with the University of Derby realised £243,822 in 2019 and represented the largest single income stream for the Institute.

The direct delivery of IQ training in the UK and overseas represented the IQ fulfilling its remit to support the progression of development of individuals within the industry. 2019 saw training in a range of locations globally including the USA, the Middle East and Europe.

The Institute of Quarrying
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Trustees' Report (continued)
For the year ended 31 December 2019

Financial review (continued)

b. Material investments policy

The principles governing decisions about investments for the Institute are in accordance with the requirements of the Trustees Act 2000. The scheme assets are held in trust by the Trustees. The investment powers of the Trustees are set out in clause 3F of the Memorandum of Association and the powers granted thereby are wide. The management of the assets is performed by Investec Wealth & Investment Limited.

The Trustees have established an investment policy for the Institute's funds and within that policy have made specific provision for environmental and ethical considerations.

The trustees do not restrict their investment manager by imposing social, environmental or ethical considerations to be taken into account in the selection, retention and realisation of investments. However, the Trustees have made their views on making socially responsible investments known to the investment managers.

The fund managers exercise, at their discretion, any voting rights attaching to the scheme's investments.

c. Reserves policy

The level of reserves, excluding restricted and designated funds, held at 31 December 2019 amounted to £4,055,953. This represents an increase of £376,918. Income generated from unrestricted reserves are needed to cover administration and support costs and to provide funds which can be designated to specific projects. The amount of restricted reserves held at 31 December 2019 amounted to £174,970, a increase of £16,550. The total reserves held at the year-end was £4,230,923.

As a result of the review into the principal risks and uncertainties, the Trustees consider the reserves to be adequate to produce a revenue stream to maintain its ability to carry out its stated objectives. Depletion of the overall level of reserves would jeopardise the income stream and threaten the ability of the Institute to fulfil its aims and the Trustees will continue to review its policy in the context of the circumstances affecting the Institute.

d. Going Concern

The Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Structure, governance and management

a. Constitution

The Institute of Quarrying is governed by its Memorandum as passed by a special resolution dated 9 October 2003 and Articles of Association as passed by special resolution dated 8 December 2015.

The principal object of the Company is to advance the science, practice and professionalism of quarrying through education, training and the encouragement of progressive improvements in standards of business, technical and environmental performance'.

The Institute of Quarrying
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the year ended 31 December 2019

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

Trustees are elected to the Board as set out in the Articles of Association and on the basis of the experience and the contribution the individuals are able to make to the work of the Institute. Many are in senior management positions in large businesses and a high proportion of the Trustees also have experience of working on local branch committees.

c. Policies adopted for the induction and training of Trustees

On being elected, all Trustees are issued with a detailed guidance note setting out the duties and responsibilities of a trustee of a registered charity.

d. Pay policy for senior staff

The Institute's Trustees are responsible for the remuneration of the Chief Executive and other senior members of staff.

e. Organisational structure and decision making

The Board of Trustees normally meets quarterly to review the aims and objectives of the Institute, to review the results of the company and to discuss key strategies and plans for the ongoing and future direction of the company.

The Council of representatives supports the work of the Board of Trustees. The Council is comprised of member representatives and those interested in the activities of the Institute to express views and opinions on matters of policy, activities, strategy and professional and other matters with which the Institute is involved.

Day to day management of the Institute's affairs is delegated to the Chief Executive, who is a paid member of staff and not a Trustee of the Institute. The Trustees meets regularly with the Chief Executive and with other members of staff from time to time in order to apply sound governance to the Institute's affairs and ensure that its policies, strategies and legal and ethical duties are being discharged in accordance with its orders.

f. Related party relationships

No member of the Board of Trustees held any interest in the funds of the charity.

During the year, related party transactions occurred with:

- QMJ Publishing Limited, a company in which The Institute of Quarrying has a material interest
- Tarmac Limited, a company in which M Riley is the Senior Vice President

g. Trustees' indemnities

The Trustees have assessed the major risks to which the Institute is exposed, in particular those related to the operations and finances of the Company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The Institute of Quarrying
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Trustees' Report (continued)
For the year ended 31 December 2019

Plans for future periods

In line with the strategic pillars, a roadmap has been developed to support the progress during 2019 and the years beyond. The activities for each pillar are outlined below:

Be the global leader in standards for the mineral extraction profession

- establish IQ skills wheel as the competence and capability benchmark for professionals
- promote schemes recognising corporate commitment to best practice and commitment to maintaining CPD
- create dedicated support pathways for professionals entering the industry
- IQ standards, membership and education are recognised by all employers

Promote the positive impact of the industry and profession

- promote the IQ, industry and careers available to support securing new talent
- promote and celebrate the innovative work of members in developing the industry

Supporting the industry in driving healthy, sustainable workplaces

- work with others to support priority industry initiatives such as QNJAC and the Minerals Strategic Forum
- support members in developing core competencies in Health and Safety
- support members in developing skills and capability to deliver a sustainable industry
- support members to develop skills and capability in delivering positive environmental outcomes

Drive innovation and operational best practice

- share leading technical process innovation with members
- support members with relevant CPD opportunities
- collaborate with partners in developing leading research projects

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

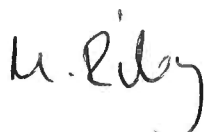
- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Dains LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

M Riley
Chairman
Date:


11/8/2020

The Institute of Quarrying
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Statement of Trustees' responsibilities
For the year ended 31 December 2019

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

Company law requires the Trustees to prepare financial statements for each financial year. Under 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 Company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on its behalf by:

M Riley
Chairman
Date:

M. Riley
11/8/2020

Independent Auditors' Report to the Trustees of The Institute of Quarrying

Opinion

We have audited the financial statements of The Institute of Quarrying (the 'charitable company') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

The Institute of Quarrying
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Independent Auditors' Report to the Trustees of The Institute of Quarrying (continued)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

The Institute of Quarrying
(A Company Limited by Guarantee)

Independent Auditors' Report to the Trustees of The Institute of Quarrying (continued)

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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



Simon Hawkins (Senior Statutory Auditor)

for and on behalf of

Dains LLP

Statutory Auditor

Chartered Accountants

2 Etruria Office Village

Forge Lane

Stoke on Trent

Staffordshire

ST1 5RQ

Date: 11.8.20

The Institute of Quarrying
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 December 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:					
Donations and legacies	3	565	-	565	991
Charitable activities	4	424,198	-	424,198	457,275
Other trading activities	5	333,470	-	333,470	305,507
Investments	6	152,378	5,520	157,898	448,495
Total income		910,611	5,520	916,131	1,212,268
Expenditure on:					
Raising funds	7	29,456	703	30,159	28,055
Charitable activities	8	893,667	1,200	894,867	802,718
Total expenditure		923,123	1,903	925,026	830,773
Net gains on investments		389,430	12,933	402,363	(21,662)
Net movement in funds		376,918	16,550	393,468	359,833
Reconciliation of funds:					
Total funds brought forward		3,679,035	158,420	3,837,455	3,477,622
Net movement in funds		376,918	16,550	393,468	359,833
Total funds carried forward		4,055,953	174,970	4,230,923	3,837,455

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 20 to 41 form part of these financial statements.

The Institute of Quarrying
(A Company Limited by Guarantee)

Balance Sheet
As at 31 December 2019
Registered Number: 00606601

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	13	1,500	3,000
Tangible assets	14	391,094	423,726
Investments	15	3,436,927	2,804,843
		<u>3,829,521</u>	<u>3,231,569</u>
Current assets			
Stocks	16	29,236	18,384
Debtors	17	114,934	49,932
Cash at bank and in hand		520,648	746,356
		<u>664,818</u>	<u>814,672</u>
Creditors: amounts falling due within one year	18	(263,416)	(208,786)
Net current assets		<u>401,402</u>	<u>605,886</u>
Total assets less current liabilities		<u>4,230,923</u>	<u>3,837,455</u>
Net assets excluding pension asset		<u>4,230,923</u>	<u>3,837,455</u>
Total net assets		<u><u>4,230,923</u></u>	<u><u>3,837,455</u></u>
Charity funds			
Restricted funds	20	174,970	158,420
Unrestricted funds	20	4,055,953	3,679,035
Total funds		<u><u>4,230,923</u></u>	<u><u>3,837,455</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

M Riley
Chairman
Date:

M. Riley
11/8/2020

The notes on pages 20 to 41 form part of these financial statements.

The Institute of Quarrying
(A Company Limited by Guarantee)

Statement of Cash Flows
For the year ended 31 December 2019

	2019 £	2018 £
Cash flows from operating activities		
Net cash used in operating activities	(163,492)	11,389
Cash flows from investing activities		
Dividends, interests and rents from investments	157,898	448,495
Proceeds from the sale of tangible fixed assets	17,893	-
Purchase of tangible fixed assets	(8,286)	-
Proceeds from sale of investments	194,241	211,889
Purchase of investments	(423,962)	(127,637)
Net cash (used in)/provided by investing activities	(62,216)	532,747
Change in cash and cash equivalents in the year	(225,708)	544,136
Cash and cash equivalents at the beginning of the year	746,356	202,220
Cash and cash equivalents at the end of the year	520,648	746,356

The notes on pages 20 to 41 form part of these financial statements

Notes to the Financial Statements
For the year ended 31 December 2019

1. Accounting policies

1.1 Basis of preparation of financial statements

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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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 issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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.

1.2 Going concern

The trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

1.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

The Institute of Quarrying
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2019

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the Company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the Company and compliance with constitutional and statutory requirements.

Expenditure on raising funds includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.5 Research and development

Research and development expenditure is written off in the year in which it is incurred.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Notes to the Financial Statements
For the year ended 31 December 2019

1. Accounting policies (continued)

1.8 Intangible assets and amortisation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Computer software	- 33 % straight line
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1.9 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Freehold property	- 2% straight Line
Motor vehicles	- 25% straight Line
Office furniture and equipment	- 10% straight Line
Computer equipment	- 33% straight Line

1.10 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

Listed investments are valued at market value at the balance sheet date.

Unlisted investments are valued at ten times the net cash dividend received for the year, excluding any unusual dividends.

The Institute of Quarrying
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2019

1. Accounting policies (continued)

1.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

1.15 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.16 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

Notes to the Financial Statements
For the year ended 31 December 2019

1. Accounting policies (continued)

1.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Valuation of Unlisted Investments

The unlisted investment consists of 17,730 fully paid shares of £1 each in QMJ Group Limited, a company registered in England and Wales, representing 29.55% of the issued shares with voting rights. The investment is valued at ten times the net cash dividend received in the year, excluding any unusual dividends. Dividends received of £90,423 (2018: £77,126) have been included in revenue from this investment. There was also a special dividend received of £nil (2018: £310,275).

Bad and doubtful debts

The Trustees have estimated a bad and doubtful debt provision on the basis of their judgment that trade debtors are not recoverable or uncertain.

The Institute of Quarrying
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Notes to the Financial Statements
For the year ended 31 December 2019

3. Income from donations and legacies

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Grants	565	565	991
<i>Total 2018</i>	991	991	

4. Income from charitable activities

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Quarry degree, diploma and other course fees	299,375	299,375	333,375
Blended training/online CPD	85,159	85,159	92,997
Conferences and events	10,820	10,820	5,105
Other charitable activities	1,020	1,020	-
Stock sales	27,824	27,824	25,798
Total 2019	424,198	424,198	457,275
<i>Total 2018</i>	457,275	457,275	

Income from charitable activities was £424,198 (2018: £457,275) of which £424,198 (2018: £457,275) was attributable to unrestricted funds.

The Institute of Quarrying
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2019

5. Member subscriptions and entrance fees

Income from fundraising events

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
UK Members	333,470	333,470	305,507
<i>Total 2018</i>	305,507	305,507	

6. Investment income

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Income from listed investments	61,450	5,506	66,956	60,834
Income from unlisted investments	90,423	-	90,423	387,401
Bank interest	505	14	519	260
	152,378	5,520	157,898	448,495
<i>Total 2018</i>	443,360	5,135	448,495	

Restricted income in 2018 related to £5,123 of income from listed investments and £12 of bank interest.

The Institute of Quarrying
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Notes to the Financial Statements
For the year ended 31 December 2019

7. Investment management costs

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Investment management fees	11,994	703	12,697	11,542
Overheads	4,348	-	4,348	3,887
Wages and salaries	10,103	-	10,103	9,243
National insurance	1,093	-	1,093	1,009
Pension	900	-	900	888
Depreciation and loss on sale	1,018	-	1,018	1,486
	<u>29,456</u>	<u>703</u>	<u>30,159</u>	<u>28,055</u>
<i>Total 2018</i>	<u>27,295</u>	<u>760</u>	<u>28,055</u>	

Restricted costs in 2018 related to Investment management fees of £760.

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Membership and branches	331,356	-	331,356	301,658
Education	272,652	-	272,652	262,575
Institute activities	253,681	-	253,681	207,645
Branch business activities	17,462	1,200	18,662	17,707
Governance	18,516	-	18,516	13,133
	<u>893,667</u>	<u>1,200</u>	<u>894,867</u>	<u>802,718</u>
<i>Total 2018</i>	<u>801,518</u>	<u>1,200</u>	<u>802,718</u>	

Restricted costs in 2018 related to branch business activities of £1,200.

The Institute of Quarrying
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Notes to the Financial Statements
For the year ended 31 December 2019

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Membership and branches	51,963	279,393	331,356	301,658
Education	63,105	209,547	272,652	262,575
Institute activities	95,248	158,433	253,681	207,645
Branch business activities	1,200	17,462	18,662	17,707
Governance	-	18,516	18,516	13,133
	<u>211,516</u>	<u>683,351</u>	<u>894,867</u>	<u>802,718</u>
<i>Total 2018</i>	<u>145,559</u>	<u>657,159</u>	<u>802,718</u>	

Analysis of support costs

	Membership and branches 2019 £	Education 2019 £	Institute activities 2019 £	Branch business activities 2019 £
Staff costs	193,545	145,159	120,969	12,096
Depreciation and loss on sale	16,287	12,216	(6,013)	1,018
Computer software	21,904	16,428	13,691	1,369
Office overheads	6,520	4,890	4,075	408
Cleaning and repairs	4,170	3,128	2,607	260
Printing, postage and stationery	13,080	9,810	8,174	818
Sundry costs	2,970	2,228	1,855	186
Legal and professional	5,303	3,977	3,316	331
Advertising	11,153	8,365	6,971	697
Travel and Subsistence	1,650	1,238	1,032	103
Other staff costs	2,811	2,108	1,756	176
	<u>279,393</u>	<u>209,547</u>	<u>158,433</u>	<u>17,462</u>
<i>Total 2018</i>	<u>264,221</u>	<u>198,163</u>	<u>165,135</u>	<u>16,507</u>

The Institute of Quarrying
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Notes to the Financial Statements
For the year ended 31 December 2019

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Governance 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff costs	-	471,769	434,473
Depreciation and loss on sale	-	23,508	57,935
Computer software	-	53,392	39,265
Office overheads	-	15,893	14,702
Cleaning and repairs	-	10,165	11,239
Printing, postage and stationery	-	31,882	23,087
Sundry costs	-	7,239	5,991
Legal and professional	4,000	16,927	9,590
Advertising	-	27,186	37,865
Travel and subsistence	14,516	18,539	14,340
Other staff costs	-	6,851	8,672
	<u>18,516</u>	<u>683,351</u>	<u>657,159</u>
<i>Total 2018</i>	<u>13,133</u>	<u>657,159</u>	

10. Auditors' remuneration

	2019 £	<i>2018 £</i>
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>4,000</u>	<u>4,000</u>

The Institute of Quarrying
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Notes to the Financial Statements
For the year ended 31 December 2019

11. Staff costs

	2019	<i>2018</i>
	£	<i>£</i>
Wages and salaries	404,108	369,696
National insurance	43,731	40,382
Contribution to defined contribution pension schemes	36,026	35,536
	483,865	445,614

The average number of persons employed by the Company during the year was as follows:

	2019	<i>2018</i>
	No.	<i>No.</i>
Administration	9	8

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2019	<i>2018</i>
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	2	1
In the band £100,001 - £110,000	1	1

The total amount of employee benefits (including employer pension contributions) received by Trustees and key management remuneration personnel for their services was £306,662 (2018: £293,779).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2018 - £NIL).

During the year ended 31 December 2019, expenses totaling £NIL were reimbursed or paid directly to no Trustee (2018 - £235 to 1 Trustee).

The Institute of Quarrying
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2019

13. Intangible assets

	Computer software £
Cost	
At 1 January 2019	53,835
At 31 December 2019	53,835
Amortisation	
At 1 January 2019	50,835
Charge for the year	1,500
At 31 December 2019	52,335
Net book value	
At 31 December 2019	1,500
<i>At 31 December 2018</i>	3,000

The Institute of Quarrying
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Notes to the Financial Statements
For the year ended 31 December 2019

14. Tangible fixed assets

	Freehold property £	Motor vehicles £	Office furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2019	400,000	86,255	139,824	22,455	648,534
Additions	-	-	1,973	6,313	8,286
Disposals	-	(55,406)	(899)	(7,383)	(63,688)
At 31 December 2019	400,000	30,849	140,898	21,385	593,132
Depreciation					
At 1 January 2019	52,000	63,567	89,311	19,930	224,808
Charge for the year	8,000	13,822	13,940	3,456	39,218
On disposals	-	(54,252)	(599)	(7,137)	(61,988)
At 31 December 2019	60,000	23,137	102,652	16,249	202,038
Net book value					
At 31 December 2019	340,000	7,712	38,246	5,136	391,094
At 31 December 2018	348,000	22,688	50,513	2,525	423,726

The Institute of Quarrying
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 December 2019

15. Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2019	2,033,588	771,255	2,804,843
Additions	423,962	-	423,962
Disposals	(172,726)	-	(172,726)
Revaluations	247,872	132,976	380,848
At 31 December 2019	2,532,696	904,231	3,436,927
Market value			
At 31 December 2019	2,532,696	904,231	3,436,927
<i>At 31 December 2018</i>	<i>2,033,588</i>	<i>771,255</i>	<i>2,804,843</i>

The gain on disposal of fixed assets investments during the year was £19,861 (2018: £25,895).

Valuation

The unlisted investment consists of 17,730 fully paid shares of £1 each in QMJ Group Limited, a company registered in England and Wales, representing 29.55% of the issued shares with voting rights. The investment is valued at ten times the net cash dividend received in the year, excluding any unusual dividends. Dividends received of £90,423 (2018: £77,126) have been included in revenue from this investment. There was also a special dividend received of £nil (2018: £310,275).

16. Stocks

	2019 £	2018 £
Ties, medals etc	10,597	13,086
Technical handbooks	18,639	5,298
	29,236	18,384

The Institute of Quarrying
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Notes to the Financial Statements
For the year ended 31 December 2019

17. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	86,533	12,298
Other debtors	1,025	7,678
Prepayments and accrued income	27,376	29,956
	<u>114,934</u>	<u>49,932</u>

18. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	35,779	25,167
Other taxation and social security	14,999	10,994
Other creditors	33,027	16,193
Accruals and deferred income	179,611	156,432
	<u>263,416</u>	<u>208,786</u>

Deferred income relates to members subscriptions and entrance fees paid in advance along with income received for courses which have not yet occurred.

	2019 £	2018 £
Deferred income at 1 January 2019	75,117	88,892
Resources deferred during the year	74,566	75,117
Amounts released from previous periods	(75,117)	(88,892)
	<u>74,566</u>	<u>75,117</u>

The Institute of Quarrying
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Notes to the Financial Statements
For the year ended 31 December 2019

19. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through income and expenditure	520,648	746,356

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

20. Statement of funds

Statement of funds - current year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Unrestricted funds						
General Funds	3,660,035	910,611	(923,123)	19,000	389,430	4,055,953
Other general funds	19,000	-	-	(19,000)	-	-
	<u>3,679,035</u>	<u>910,611</u>	<u>(923,123)</u>	<u>-</u>	<u>389,430</u>	<u>4,055,953</u>

The Institute of Quarrying
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Notes to the Financial Statements
For the year ended 31 December 2019

20. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Restricted funds						
Preston	14,024	563	(672)	-	62	13,977
Coles	7,932	320	(241)	-	35	8,046
McPherson	56,936	2,136	(272)	(19)	234	59,015
Nordberg	26,044	973	(124)	-	107	27,000
Goodwin Barsby	4,165	177	(223)	-	19	4,138
Rushton Bucyrus	10,470	393	(50)	-	43	10,856
Ransomes & Rapier	154	28	(204)	19	3	-
Marston	9,062	336	(43)	-	37	9,392
Clugston	4,929	183	(23)	-	20	5,109
Eric McNaught	10,564	411	(51)	-	43	10,967
Trust capital	14,140	-	-	-	12,330	26,470
	158,420	5,520	(1,903)	-	12,933	174,970
Total of funds	3,837,455	916,131	(925,026)	-	402,363	4,230,923

The specific purposes for which the funds are to be applied are as follows:

Preston - Best student award: Diploma

Coles - Best student award: Foundation Degree

McPherson - Awarded to fund a high profile lecture

Nordberg - Awarded for an R&D project or Study Tour on an international basis

Goodwin Barsby - Best student - Hons Degree

Rushton Bucyrus - To fund the administration of an annual student award

Ransomes & Rapier - Best Higher Apprentice

Marston - Awarded to the best paper delivered to a branch meeting

Clugston - Awarded for an R&D project or Study Tour on a international basis

Eric McNaught - Awarded by the Scottish branch to the Scottish branch member with the most marks

Trust Capital- awarded at the discretion of Trustees to students who have made achievements to be celebrated that are not recognised by other specific awards

The Institute of Quarrying
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Notes to the Financial Statements
For the year ended 31 December 2019

20. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2018 £</i>
Unrestricted funds					
General Funds	3,311,947	1,207,133	(847,813)	(11,232)	3,660,035
Other general funds	-	-	19,000	-	19,000
	<u>3,311,947</u>	<u>1,207,133</u>	<u>(828,813)</u>	<u>(11,232)</u>	<u>3,679,035</u>
Restricted funds					
Preston	14,073	524	(478)	(95)	14,024
Coles	7,933	297	(244)	(54)	7,932
McPherson	55,603	1,986	(294)	(359)	56,936
Nordberg	25,435	907	(134)	(164)	26,044
Goodwin Barsby	4,254	165	(225)	(29)	4,165
Rushton Bucyris	10,225	365	(54)	(66)	10,470
Ransomes & Rapier	337	26	(204)	(5)	154
Marston	8,851	313	(46)	(56)	9,062
Clugston	4,815	170	(25)	(31)	4,929
Eric McNaught	10,508	382	(256)	(70)	10,564
Trust capital	23,641	-	-	(9,501)	14,140
	<u>165,675</u>	<u>5,135</u>	<u>(1,960)</u>	<u>(10,430)</u>	<u>158,420</u>
Total of funds	<u>3,477,622</u>	<u>1,212,268</u>	<u>(830,773)</u>	<u>(21,662)</u>	<u>3,837,455</u>

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21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	391,094	-	391,094
Intangible fixed assets	1,500	-	1,500
Fixed asset investments	3,297,084	139,843	3,436,927
Current assets	629,691	35,127	664,818
Creditors due within one year	(263,416)	-	(263,416)
Total	4,055,953	174,970	4,230,923

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	423,726	-	423,726
Intangible fixed assets	3,000	-	3,000
Fixed asset investments	2,677,699	127,144	2,804,843
Current assets	783,396	31,276	814,672
Creditors due within one year	(208,786)	-	(208,786)
Total	3,679,035	158,420	3,837,455

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22. Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	393,468	359,833
Adjustments for:		
Depreciation charges	39,218	49,684
Amortisation charges	1,500	7,358
(Gains)/losses on investments	(402,363)	21,662
Dividends, interests and rents from investments	(157,898)	(448,495)
Loss/(profit) on the sale of fixed assets	(16,193)	2,378
Increase in stocks	(10,852)	(5,758)
Decrease/(increase) in debtors	(65,002)	73,287
Increase/(decrease) in creditors	54,630	(48,560)
Net cash provided by/(used in) operating activities	(163,492)	11,389

23. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	520,648	746,356
Total cash and cash equivalents	520,648	746,356

24. Analysis of Net Debt

	At 1 January 2019 £	Cash flows £	At 31 December 2019 £
Cash at bank and in hand	746,356	(225,708)	520,648
	746,356	(225,708)	520,648

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25. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £36,026 (2018: £35,536). Contributions totaling £3,544 (2018: £3,483) were payable to the fund at the balance sheet date and are included in creditors.

26. Operating lease commitments

The Company had no commitments under non-cancellable operating leases at 31 December 2019.

27. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

28. Related party transactions

During the period the company made purchases of £40,776 (2018: £38,800) and generated income of £220 (2018: £305) from The QMJ Group Limited, a related company in which The Institute of Quarrying has a material interest. All transactions occurred on an arms length basis. As the period end, a balance of £3,802 (2018: £nil) was due to The QMJ Group Limited.

During the year the company made purchases of £nil (2018: £7,464) and generated income of £2,190 (2018: £5,422) from Tarmac Limited, a company in which Martin Riley is the Senior Vice President. All transactions occurred on an arms length basis. At the period end, a balance was due from Tarmac Trading Limited of £1,244 (2018: £526) and a balance of £nil (2018: £nil) was due to Tarmac Trading Limited.

Funds held as a agent or custodian trustee

During the year, the company received £nil (2018: £nil) and paid out £609 (2018: £693) on behalf of QNJAC. At the balance sheet date £1,924 (2018: £2,533) was held on behalf of QNJAC.

During the year, the company received £7,480 (2018: £12,435) and paid out £5,312 (2018: £15,608) on behalf of the Derbyshire Branch. At the balance sheet date £2,168 (2018: £Nil) was held on behalf of the Derbyshire Branch.

During the year, the company received £2,400 (2018: £6,440) and paid out £5,403 (2018: £3,437) on behalf of the Devon and Cornwall Branch. At the balance sheet date £670 (2018: £2,333 due to) was due from the Devon and Cornwall Branch.

During the year, the company received £5,920 (2018: £4,260) and paid out £5,920 (2018: £4,260) on behalf of the Lancashire Branch. At the balance sheet date £Nil (2018: £Nil) was held on behalf of the Lancashire Branch.

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28. Related party transactions (continued)

During the year, the company received £1,550 (2018: £2,150) and paid out £2,195 (2018: £2,700) on behalf of the North Wales Branch. At the balance sheet date £755 (2018: £1,400) was held on behalf of the North Wales Branch.

During the year, the company received £3,780 (2018: £5,580) and paid out £3,780 (2018: £5,580) on behalf of the South Wales Branch. At the balance sheet date £Nil (2018: £Nil) was held on behalf of the South Wales Branch.

During the year, the company received £8,000 (2018: £10,782) and paid out £11,613 (2018: £12,420) on behalf of the Yorkshire Branch. At the balance sheet date £677 (2018: £4,290) was held on behalf of the Yorkshire Branch.

During the year, the company received £Nil (2018: £417) and paid out £Nil (2018: £nil) on behalf of the Midlands Branch. At the balance sheet date £2,533 (2018: £417) was held on behalf of the Midlands Branch.

During the year, the company received £6,313 (2018: £9,570) and paid out £6,667 (2018: £9,570) on behalf of the Scottish Branch. At the balance sheet date £354 (2018: £Nil) was due from the Scottish Branch.

During the year, the company received £2,000 (2018: £Nil) and paid out £Nil (2018: £Nil) on behalf of the London & Home Counties Branch. At the balance sheet date £354 (2018: £Nil) was due from the London & Home Counties Branch.

29. Post balance sheet events

Subsequent to the Charitable Company's year-end, the scale and spread of Covid-19 (Coronavirus) virus worldwide and the actions taken by governments affected, has caused and will continue to cause disruption to almost all sectors and financial markets. As a result, there was a dramatic downturn in global markets in March 2020. The outbreak is having significant financial impact and the trustees are monitoring the situation and are considering how best to respond to the emerging issues.

The trustees regard the impact of Covid-19 as a non-adjusting post balance sheet event. No adjustments have therefore been made to the financial statements as at 31 December 2019 and it is difficult to estimate the impact on the charitable company's investments at this stage

