

IMechE Services Limited
Annual Report and Financial Statements
For the year ended 31 December 2022

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Company Registration No. 01361114 (England and Wales)

IMechE Services Limited

Company Information

Directors	S Fox
	E Maritz
Company number	01361114
Registered office	1 Birdcage Walk London SW1H 9JJ
Auditor	BDO LLP 55 Baker Street London W1U 7EU

IMechE Services Limited

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IMechE Services Limited

Director's Report

For the year ended 31 December 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company continued to be that of providing management services to the members of the Institution of Mechanical Engineers.

Directors

The directors who held office during the year and up to the date of signature of the financial statements was as follows:

S Fox

E Maritz

Results and dividends

The results of the year are set out on page 7.

No ordinary dividends were paid (2021: £nil). The director does not recommend payment of final dividend.

Statement of directors' responsibilities

The directors are responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires directors to prepare final statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

The directors 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.

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

IMechE Services Limited

Director's Report

For the year ended 31 December 2022 (continued)

Going concern

The company has temporarily ceased trading. The company is not dormant as there is the intention to restart trading activity in the future, though the date of this is uncertain. The company has no operational costs and has received a letter of support from the ultimate parent undertaking that the intercompany balance will not need to be settled until 31 May 2025 at the earliest.

Accordingly, the directors have identified no material uncertainties that may cause significant doubt over the company's ability to continue as a going concern and believe it is appropriate to prepare the accounts on a going concern basis.

Statement of disclosure of information to the auditors

The directors in office at the date of approval of this annual report confirms that:

- So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and
- The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

- BDO LLP were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Directors' indemnity insurance

- Indemnity insurance for the Company Directors is covered by the IMechE Group policy.

Approved by the board on 27 April 2023 and signed on its behalf:



S Fox
Director

IMechE Services Limited

Independent Auditor's Report

To the Members of IMechE Services Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss 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.

We have audited the financial statements of IMechE Services Limited ("the Company") for the year ended 31 December 2022 which comprise Statement of Income and Retained Earnings, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's 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.

IMechE Services Limited

Independent Auditor's Report (Continued)

To the Members of IMechE Services Limited

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors 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 Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Statement of Directors Responsibilities, the Directors 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 Directors 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 Directors are responsible for assessing the 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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

IMechE Services Limited

Independent Auditor's Report (Continued)

To the Members of IMechE Services Limited

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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the sector in which it operates;
- Discussion with management and those charged with governance;
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be UK GAAP and UK tax legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Enquiry with management and those charged with governance; and
- Review of financial statement disclosures and agreeing to supporting documentation;

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

IMechE Services Limited

Independent Auditor's Report (Continued)

To the Members of IMechE Services Limited

Based on our risk assessment, we considered the areas most susceptible to fraud to be through management override of controls and improper revenue recognition.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias;
- Incorporating unpredictability into our testing approach through amending the nature and extent of audit procedures;

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

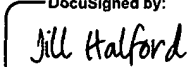
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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 Company's members 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Jill Halford (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

28 April 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

IMechE Services Limited

Statement of Income and Retained Earnings

For the year ended 31 December 2022

	Notes	2022 £	2021 £
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		(3,039)	(2,826)
(Loss) before taxation	3	(3,039)	(2,826)
Taxation	6	-	4,358
Profit/(Loss) for the financial year		(3,039)	1,532
Retained earnings brought forward		(20,573)	(22,105)
Retained earnings carried forward	7	(23,612)	(20,573)

The statement of income and retained earnings has been prepared on the basis that all operations are continuing operations.

Notes on pages 9 to 12 form part of these financial statements.

IMechE Services Limited

Balance Sheet

As at 31 December 2022

	Notes	2022 £	2021 £
Current assets			
Cash at bank and in hand		<u>1</u>	<u>1</u>
		1	1
Creditors: amounts falling due within one year	4	<u>(23,611)</u>	<u>(20,572)</u>
Net current liabilities		<u>(23,610)</u>	<u>(20,571)</u>
Total net liabilities		<u>(23,610)</u>	<u>(20,571)</u>
Capital and reserves			
Called up share capital	5	2	2
Profit and loss reserves	7	<u>(23,612)</u>	<u>(20,573)</u>
Total equity		<u>(23,610)</u>	<u>(20,571)</u>

These financial statements have been prepared in accordance with the special provisions relating to the small companies' regime within Part 15 of the Companies Act 2006 and in accordance with Section 1A of Financial Reporting Standard 102.

The financial statements were approved by the board of directors and authorised for issue on 27 April 2023.

Signed on its behalf by:



S Fox
Director

Company Registration No. 01361114

Notes on pages 9 to 12 form part of these financial statements.

IMechE Services Limited

Notes to the Financial Statements

For the year ended 31 December 2022

1 Accounting policies

Company Information

IMechE Services Limited is a private company limited by shares (registered number: 01361114) incorporated in England and Wales. The registered office is 1 Birdcage Walk, London, SW1H 9JJ. The principal activities of the company are set out in the Directors' Report.

1.1 Basis of preparation

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principle accounting policies adopted are set out below.

A cash flow statement has not been prepared on the grounds that the company is exempt from preparing such a statement under FRS102 as a wholly owned subsidiary of the Institution of Mechanical Engineers (IMechE).

The company has taken advantage of the disclosure exemptions permitted within FRS 102 paragraph 1.12 and so has not disclosed information regarding the financial instruments held and their significance since an equivalent disclosure is made in the consolidated financial statements of its ultimate parent company, IMechE.

1.2 Going concern

The financial statements have been prepared on a going concern basis as the company has sufficient cash to meet its operational requirements and has the support of its parent. The company is not dormant as there is the intention to restart trading activity in the future, though the date of this is uncertain. The company has no operational costs and has received a letter of support from the ultimate parent undertaking that the intercompany balance will not need to be settled until 31 May 2025 at the earliest. The company also has the parent's support in paying its external creditor balances.

The directors are therefore confident that, despite having a negative balance sheet, the company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing the financial statements. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.4 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

IMechE Services Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies (Continued)

1.5 Taxation

The tax payable or receivable is based on taxable profit of the year. Taxable profit differs from net profit as reported in the profit and loss account because it exceeds items of income or expense that are taxable or deductible in other years and it further exceeds items that are never taxable or deductible.

1.6 Related party transactions

As the Company is a wholly owned subsidiary of the Institution of Mechanical Engineers, the Company has taken advantage of the exemption contained in FRS 102 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

1.7 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities have been outlined below:

Bad debt provision

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. The company currently has no trade debtors.

2 Employees

There were no employees employed by the company during the current and prior periods of account.

IMechE Services Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

3 Operating (loss)/profit

	2022	2021
	£	£
Operating (loss)/ profit for the year is stated after charging/(crediting):		
Audit fees	3,039	2,575
	<u>3,039</u>	<u>2,575</u>

4 Creditors: amounts falling due within one year

	2022	2021
	£	£
Amounts due to group undertakings	20,636	17,697
Trade creditors	-	300
Other creditors: accruals	2,975	2,575
	<u>23,611</u>	<u>20,572</u>

5 Called up share capital

	2022	2021
	£	£
Ordinary share capital, issued and fully paid		
2 Ordinary Shares of £1 each	2	2
	<u>2</u>	<u>2</u>

IMechE Services Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

6 Taxation

	2022	2021
	£	£
Corporation tax refund	-	4,358
	<u>-</u>	<u>4,358</u>

The tax credit represents the sum of the tax repaid in the year for tax paid in previous years. The current year there are no tax charges resulting from the performance of the business.

7 Profit and loss reserves

	2022	2021
	£	£
At the beginning of the year	(20,573)	(22,105)
(Loss)/Profit for the year	<u>(3,039)</u>	<u>1,532</u>
At the end of the year	<u>(23,612)</u>	<u>(20,573)</u>

8 Parent company

IMechE Services Limited's immediate parent company is Professional Engineering Projects Limited, a company incorporated in England and Wales.

The company's ultimate parent company and controlling party is the Institution of Mechanical Engineers (IMechE) which is incorporated in England and Wales by Royal Charter. The IMechE is a registered charity. The ultimate parent owns both the smallest and largest entity for which group accounts are prepared. Copies of the parent's consolidated financial statements may be obtained from the Finance Director, 1 Birdcage Walk, London SW1H 9JJ.