

SHAPING A SUSTAINABLE FUTURE

ANNUAL
REPORT
AND
ACCOUNTS

Registered Charity Number: 214011

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

Trustees' Report and Financial Statements

Year Ended 31 December 2023

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

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THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

LEGAL AND ADMINISTRATIVE INFORMATION

Officers and Council Members as at 31st December 2023:

President	Andrew Musgrave CEng FIGEM
Past President	David Parkin CEng FIGEM
President Elect	David Tomkin CEng FIGEM
Vice President	Sarah Williams MIGEM
Honorary Secretary*	Benjamin Clarke CEng MIET FIGEM
Chief Executive*	Oliver Lancaster BSc MSc FGS EngTech FIGEM
Ordinary Members	Paul Denniff CEng MIMechE FIGEM Jordan Rowbottom CEng FIGEM Chi Kin Peter Chak BSc CEng FIGEM Lucy Ritchie MIGEM Gordon McMillan AIGEM Darren Elsom IEng FIGEM Nicola Evans CEng MIGEM Adam Madgett EngTech TMIET MIGEM Earl Richards EngTech MIGEM Sikander Mahmood IEng MIMechE AIGEM Thomas James CEng MIGEM

Section Members	Heng Xiang Zhou CEng MIGEM Conor O'Reilly CEng MIGEM Simon Joyce IEng MIGEM Peter Sykes-Tucker CEng MIGEM Lynsey Stevenson CEng MIMechE MIGEM Nick Jerman EngTech MIGEM David Frost CEng MIGEM Henry James GradIGEM Josh Williams-Trim EngTech MIGEM Harriet Guiry GradIGEM Tony Wimpenny BEng MSc	Far East Irish London, Southern & Eastern Midlands North East & Yorkshire North West Scottish Welsh South West Young Persons Section Company Members
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Co-opted Members*	Hilary Buxton CEng FIMechE HonFIGEM* Christopher Gorman CEng HonFIGEM* Sheila Lauchlan BSc CEng FIGEM* Michael Blake CEng MIMechE MIGEM* Bridget Hartley CEng MIGEM*
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*denotes Non-Trustee

Also, Trustees for the period to 10th May 2023:

David McLeod CEng MIGEM
Bridget Hartley CEng MIGEM
Steve Critchlow EngTech FIGEM
Michael Blake CEng MIMechE MIGEM
Tim Roff CEng MICE FIGEM
Lewis Watts CEng MWeldI MIGEM
Kyle Lewis MIGEM
Tom Stuart EngTech
Matthew Kluwe AIGEM
Andrew Jones CEng

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

LEGAL AND ADMINISTRATIVE INFORMATION

Secretariat Senior Staff

Chief Executive Officer	Oliver Lancaster BSc MSc FGS EngTech FIGEM
Head of Technical Services & Policy	Ian McCluskey BEng CEng FIMechE FIGEM
Head of Finance	Yusuf Girach FCCA
Head of Membership Services	Claire McHugh BA(Hons) AIGEM
Head of Corporate Affairs and Operations	Carl Stokes AIGEM

Charity Number 214011

Registered Office Institution of Gas Engineers and Managers
IGEM House
26 & 28 High Street
Kegworth
Derbyshire
DE74 2DA

Auditors UHY Hacker Young
14 Park Row
Nottingham
NG1 6GR

Bankers HSBC Bank Plc
117 Great Portland Street
London
W1W 6QJ

Solicitors Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

Investment Managers Rathbones Investment Management
8 Finsbury Circus
London
EC2M 7A

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

YEAR ENDED 31 DECEMBER 2023

TRUSTEES' REPORT

The Trustees of the Institution of Gas Engineers and Managers ("IGEM") present their report and audited financial statements for the year ended 31 December 2023. The financial statements comply with the Institution's Royal Charter, applicable Companies and Charities Acts and the Charities Statement of Recommended Practice issued in October 2019. The Trustees consider that they have complied with their duties under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

Objectives and Activities

IGEM has a significant opportunity to lead an ambitious response from our sector to engineer a sustainable gas future and help mitigate the impacts of climate change. IGEM needs to influence and keep in step with the evolving landscape, and our Ambition, Priorities and Values will help deliver this for both our members and broader society for the gas system of today and tomorrow.

We have embarked upon a new business plan covering the period 2023-2028 inclusive, which includes a critical timeframe of both regulatory and policy decisions that are expected to determine, and hopefully secure, the long-term direction of our industry.

We recently consolidated IGEM's focus and the way we go about our business – our identity – which is at our core as we serve our members and deliver our strategy.

Our Ambition is to be the world's leading institution for gas professionals, advancing the safety, reliability and sustainability of energy.

Our Priorities are core to our operation, supporting the delivery of our strategy for societal benefit:

- Promote, inspire and support the attainment and maintenance of the highest standards of professional competence and excellence through the provision of high-quality products and services;
- Design the gas system of the future, by leaning on our rich history and in leading the transition from fossil fuels to net zero, with low carbon gases as a critical part of a secure, whole energy system;
- Provide personal and professional development for members and staff to grow their skills and reach their full potential in a supportive and diverse business environment;
- Engage stakeholders and listen, advise and influence; developing innovation partnerships to build informed analysis and evidence; and
- Ensure our governance framework is robust and fit for purpose to allow our charitable objectives to be conducted effectively and efficiently.

Our Values define our professionalism and behaviours. They reflect on our performance as a business and how we interact with members, colleagues, partners and customers:

- Excellence: to confidently and competently achieve, and help others achieve, the very highest standards.
- Integrity: doing the right thing based on core moral and ethical convictions;
- Respect: trusting, valuing and appreciating the work of colleagues, members, volunteers and stakeholders independent of their position or background;
- Open Mindedness: having an unprejudiced mindset that is receptive to new ideas and opinions that may differ to your own; and
- Innovative: cultivate a community of engaged members and partners to undertake informed analysis and develop robust evidence to advise, influence and improve gas policy for public benefit.

Our business plan pushes stronger in some of our current delivery areas, but has importantly introduced new activities to push the boundaries and grow the membership, revenue and impact of the Institution. Key activities continue, which includes recruitment and retention of members, as well as provision of training and services to members and the wider industry to support members' continuing professional development, through the Gi Journal, website, communications,

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TRUSTEES' REPORT

conferences, lectures and technical training. In addition, technical advancement is achieved through review and development of Industry Standards and recommendations, research, networking and support.

We have been delighted to see, as a result of our efforts, supported very much by our new website, the record growth in numbers of individual members in a year since modern records began in 2009. We also see a continued growth in Company Members and have the most we've ever had in IGEM.

The Sections within IGEM's membership deliver varied programmes of events encompassing technical visits and paper evenings as well as networking and social activities. Several of these activities are international.

Public Benefit Statement

We have referred to the guidance contained in the Charity Commission's general guidance of public benefit when considering our Ambition, Priorities and Values and in planning our future activities. In particular, the Trustees routinely consider how planned activities will contribute to the Ambition, Priorities and Values they have set.

IGEM delivers benefits for Society by applying expertise and experience to make an influential contribution to solving pressing energy challenges in areas such as safety, security, affordability and sustainability, often by collaborating openly to enable effective action. We also effect positive change by supporting the development of gas engineering professionals as credible participants in a wider community of technical practitioners.

Our main objectives for the year continued to be the promotion of engineering science as applied to the broad gas industry; and to improve and elevate the technical knowledge of those engaged in the profession of gas engineering. The strategies we used to meet these objectives included:

- Ensuring the competence of practising gas engineers through a pathway for recognition, including registration with the Engineering Council;
- Providing members with continuing professional development opportunities including free access to mentoring and support towards advancement through grades of membership;
- Providing awareness of technical developments and innovations through publications, conferences and events, at both national and local level;
- Utilising technical expertise to advise and support the Government's policies on Net Zero, specifically developing technical standards and responding to consultations influencing statutory regulation;
- Continuing to develop and publish peer reviewed Industry Standards aimed at enhancing the procedures for the safe use of natural gas and hydrogen in the areas of transmission, distribution, utilisation and metering;
- Securing approval to be an authoriser of recognised training providers;
- Working with skills partners to approve apprenticeships that lead to qualified gas technicians;
- Provision of scholarships and grants to individuals and companies undertaking research, development and innovation, where their area of interest furthers the objectives of the charity;
- Ensuring a selection of free and discounted provision of services are offered within membership services, event placements and access to Technical Standards;
- Auditing and authorisation of approved gas industry training providers; and
- Extending our reach by developing support for new sectors and in developing relationships with India, Australia and Sweden.

Our public benefit activities focus on the safe passage of gas through the supply chains through to safe use by the public and by industrial customers, as well as the planning for their future energy needs as part of an affordable, just and secure transition. These activities include competence assessment, provision of opportunities for the continued demonstration of competence through personal professional development for our members, and those in the wider gas industry. In addition, we support, showcase and finance research, such as Carbon Monoxide and net zero policy research.

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YEAR ENDED 31 DECEMBER 2023

TRUSTEES' REPORT

Structure, Governance and Management

The Institution of Gas Engineers and Managers is a registered charity established in 1863, incorporated by Royal Charter in 1929 and governed by By-laws, which were last amended in July 2001. IGEM has a Governance Manual, comprehensively updated during 2019 incorporating Charter, By-laws, requirements of Trustees, organisational structure, key terms of reference of Boards and Committees as well as Membership Policy and Procedures, Finance Policy and Procedures, and IGEM's Quality Policies and Procedures and requirements of Charity Law. In addition, IGEM has a Conflicts of Interest Policy.

The main decision making body of IGEM is Council, which governs IGEM and owns the strategy that IGEM will adopt and implement. It consists of 27 Trustees together with other, non-voting, members. These are:

- President*
- President Elect*
- Vice President*
- Immediate Past President*
- Honorary Secretary
- 12 Ordinary Members*
- 11 Section Chairs [or nominated representative]*
- Chief Executive Officer
- Co-opted advisors to Council

* Indicates a Trustee member of Council

Council can invite the election or appointment of any member of IGEM onto Council if it feels that they can bring value, knowledge and expertise. Some Trustees change at IGEM's Annual General Meeting each year. Ordinary Members serve for three years and Section Chairs serve for at least one year.

Council is supported by an Executive Board that acts as a steering committee to Council to assist with Trustee deliberations at Council. The Executive Board consists of:

- President*
- President Elect*
- Vice President*
- Immediate Past President*
- Honorary Secretary
- A representative each from gas networks, the YPN and Company Members **
- Co-options (up to two)**
- Chief Executive Officer

* Trustee member of Council

** Trustee or non-Trustee of Council

IGEM comprises the following entities:

Institution of Gas Engineers and Managers

Charity No. 214011

History Fund

Charity No. 287678

Institution of Gas Engineers (Scottish Section) Benevolent and Education Funds

Charity No. SC006601

IGEM House Ltd

Company No. 03093169

Institution of Gas Engineers and Managers Scholarships, Medals, Prizes and

Lectureships Fund

Charity No. 214011-11

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IGEM has a subsidiary trading company, IGEM House Ltd trading as Meetpoint Midlands. This company undertakes commercial trading activities, and the results are consolidated in these financial statements. This company commenced trading during 2011 and rents conference and meeting facilities to third parties.

The Institution has a Benevolent Fund, the Incorporated Benevolent Fund of the Institution of Gas Engineers and Managers, which reports separately to its members.

IGEM operates a number of Boards, Committees, Sub-Committees and Panels through which it undertakes its educational, technical and administrative functions. IGEM benefits from the input of many volunteers, who govern the Institution, run the Sections, contribute to committees, panels, mentoring and interviewing. Over 2023, there were 608 volunteers actively involved in IGEM who collectively provided volunteer services totalling 11,524 hours, equivalent to seven full time staff.

All Trustees give their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 7 to the accounts. Trustees are required to disclose all relevant interests and register them with the Chief Executive and withdraw from decisions where a conflict of interest arises. All incoming Trustees are provided with training to fully explain their roles and responsibilities and an induction package. This includes a copy of "How to be an effective Trustee" published by the Charity Commission, together with the By-laws, Governance Manual and Business Plan for the Institution.

The general membership is organised into eight regional Sections throughout the UK and one overseas Section:

- Far East District Section;
- Irish Section;
- London, Southern & Eastern Section;
- Midlands Section;
- North East & Yorkshire Section;
- North West Section;
- Scottish Section;
- South West Section; and
- Welsh Section.

Throughout the year, the Sections organise a varied programme of events encompassing informative, technical presentations from high profile speakers from within and outside the gas industry as well as social networking opportunities. These events also provide a valuable element to the ongoing development of our members and evidence of attendance can be used within our Continuing Professional Development framework. In addition, IGEM has two further Sections, each established to meet the more specific needs of the individual membership group:

Company Member Section, which represents organisations that are members of IGEM. These members include network asset owner operators, gas supply businesses, companies engaged within the supply chain, consultancies and educational establishments.

Young Persons Network. A key role of the Section is to give a voice to our younger, often more junior, members and to encourage them to play an active part within the Institution. As well as being assigned to a geographically defined Section, all of our members under the age of 35 are included within the auspices of the YPN.

Political Donations and Expenditure

No contributions have been made to any political party in this financial year.

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Achievement and Performance

IGEM maintains ISO 9001:2015 quality accreditation.

IGEM is licenced by the Engineering Council to assess applicants for inclusion on the national register of professional engineers and technicians, to recognise academic programmes and professional development schemes and to monitor the Continuing Professional Development of registrants. 162 gas industry professionals achieved professional registration and the titles EngTech, IEng and CEng. This was supported by 118 members who volunteered their time and expertise as mentors, interviewers, and committee/panel members to support the membership processes and procedures.

Individual Members	Opening	New	Lapsed or resigned	Movement	Closing
Honorary	6	-	1	5	10
Companion	21	1	4	1	19
Fellow	220	-	15	3	208
Chartered Member	1,064	13	49	6	1,034
Incorporated Member	354	3	25	(2)	330
Engineering Technician Member	714	110	59	9	774
Member Manager	117	10	17	2	112
Graduate	100	5	30	(2)	73
Associate	510	229	111	(5)	623
Gas Technician	101	96	19	1	179
Licensed Gas Technician	22	-	4	(1)	17
Students	117	102	1	-	218
Total	3,346	569	335	17	3,597

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Company Members	Opening	New	Lapsed or resigned	Movement	Closing
Small (1-5 employees)	105	18	7	(2)	114
Small - Medium (6-15 employees)	77	5	6	-	76
Medium (16-99 employees)	98	16	7	1	108
Medium - Large (100-499 employees)	71	7	3	-	75
Large (500+ employees)	24	5	2	-	27
Housing Partner	15	6	2	1	20
Total	390	57	27	-	420

In 2023, we continued our focus to support the technician community and improve the EngTech value proposition. IGEM's EngTech working group continued to drive this initiative forward which resulted in an overall 8.4% increase in EngTech membership and retention increased to 93%.

In addition, we held a number of professional registration webinars open to all those interested in becoming a member or transferring grades as well as inhouse webinars with the support of our Company Members. The online 1:1 booking system has also been popular for those wanting to discuss their individual pathway to membership and professional registration.

Our annual CPD sampling progressed in 2023 as we saw a record number of submissions from our professionally registered members. Supportive discussions were had and individual feedback was provided to those who submitted a CPD record, to support with their professional development journey. Two members had to be removed from the professional register due to non-compliance.

We had another successful year with our scholarships, grants and awards scheme. The scheme continues to support the engineers of the future, and with such a high standard of applications, one undergraduate scholarship, one postgraduate scholarship and two Engineering Technician grants were awarded.

IGEM develops and produces Technical Standards with related activities including research, record management, training and liaising with industry and external stakeholders. Selected standards are made available for a reduced rate through the Gas Safe Register. This supports operatives working in the downstream sector to enable more industry representatives to have affordable access to Standards.

Working with the technical committees, expert panels and working groups, members and volunteers were involved in 123 meetings, resulting in the department producing 267 technical papers and publishing 16 standards throughout the year, these were:

Hydrogen

- IGEM/TD/13 Edition 2 Supplement 2 - Pressure regulating installations for Natural Gas/Hydrogen blended mixtures at pressures not exceeding 7 bar
- IGEM/TD/21 *New steel and PE pipelines and installations for hydrogen*
- IGEM/TD/22 *Reference Standard for repurposing Natural Gas distribution mains and services for Hydrogen*
- IGEM/IG/1 Edition 2 Supplement 5 - *Interim Hydrogen training specification.*
- IGEM/H/1 with amendments June 2022 and July 2023 *Reference Standard for low pressure hydrogen utilisation*

TD Series

- IGEM/TD/13 Edition 3 *Pressure regulating installations exceeding 7 bar*

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G Series

- IGEM/G/5 Edition 3 with amendments April 2023 Gas in multi-occupancy buildings
- IGEM/G/12 *Universally adopted symbols*
- IGEM/G/13 Amendments *Domestic supply capacity and operating pressure at the outlet of the meter.*

GM Series

- IGEM/GM/5 Edition 4 Electronic gas meter volume conversion systems
- IGEM/GM/PRS/11 *Purchasing specification for diaphragm meters.*

UP Series

- IGEM/UP/12 Edition 3 *Application of burners and controls to gas fired process plant*
- IGEM/UP/16 Amendments November 2023 *Design for Natural Gas installations on industrial and commercial premises with respect to DSEAR*

IG Series

- IGEM/IG/1 Ed 2 Supplement 3 *Metering/ESP Natural Gas training specification*
- IGEM/IG/3 *Guidance for the safe recovery of road tankers*
- IGEM/IG/4 *Bulk transport of LNG by road.*

Throughout the year our Hydrogen Committee, chaired by Keith Owen of Northern Gas Networks (NGN), continued to grow in strength and provided the governance and leadership in the production of new hydrogen standards. The committee is helping to support the UK Government's commitment to achieve net zero carbon emissions by 2050 and our strategic plan of working with key stakeholders on a range of research and demonstration projects investigating the role of hydrogen within the national transmission and distribution system. In particular for these projects to achieve their full scope of work, it is recognised that the research and engineering standards will have a critical role.

Early in the year we undertook a funded review for the technical requirements for the construction of a new hydrogen pipeline and associated pipework as part of CELSA Steel's study to assess the viability of operating the reheat furnaces on hydrogen gas.

Throughout the year IGEM worked with industry experts on the Department for Energy Security and Net Zero (DESNZ) funded Hydrogen Standards and Skills for Heating programme for the implementation of a competence framework for the community trials for hydrogen. The IGEM working group, chaired by Dr Richard Marrow, successfully delivered the two new standards to support the training for engineers working on the trials which was based on the results of the research on the effects of hydrogen on materials, pipe sizing, metering, purging, tightness testing, ventilation and fluing.

Towards the end of the year we began work on the OFGEM funded project led by SGN and partnering with the gas networks, National Gas and DNV on the Velocity Design with Hydrogen Project. This project will demonstrate safe velocity limits for hydrogen, and hydrogen blends, with focus on erosion, vibration, noise, and particle transportation.

The digital repository, dedicated to the advancement of hydrogen learning globally and supporting the transition to a net zero carbon emissions future, continues to go from strength to strength. At its core, the Hydrogen Knowledge Centre enables learning to be shared with others, through a carefully curated, comprehensive and growing database of information from the widest possible range of sources.

The repository, managed by a dedicated team at IGEM, has grown to include over 4,500 resources. By the end of 2023 the platform had been accessed on average 3,800 times per month with around 160 downloads per month. IGEM's policy role has gone from strength to strength in 2023, seeing unprecedented levels of direct engagement with key policy makers and influencers. We continued to amplify the voice of our members through responses to several government consultations, including the Improving Boiler Standards and Efficiency, Clean Heat Market Mechanism,

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TRUSTEES' REPORT

Strategy & Policy Statement for Energy Policy in Great Britain, the Heat Strategy for Wales, Net Zero Sector Skills in Wales and Hydrogen Blending into GB Gas Distribution Networks.

We have also taken great interest in the work of the government Select Committees presiding over energy security and net zero policy, responding to two Committee inquiries this year including, Heating our Homes and Keeping the Power On. We have been reactive to important policy news, providing our responses to various announcements and publications such as, the government's Net Zero Review, Powering Up Britain package, Hydrogen Updates to Market and reports by the Climate Change Committee.

These responses, and more, have been published on IGEM's Policy, Practice and Research web page, providing a trusted source of information and insights for our members and stakeholders. Through this work we are supporting our industry in making the case for low carbon gases in our energy system and providing the evidence base on which policy makers can base their decisions – a recent example being the government's positive decision on blending hydrogen up to 20% into the existing gas network. We have played a key role participating in the work of several influential groups and organisations including, the All-Party Parliamentary Group for Energy Studies, the All-Party Parliamentary Group for Carbon Monoxide, the NEPC Net Zero Working Group, Gas Goes Green Review Group and Insights Forum, Hello Hydrogen Strategic Review Group, Energy Research Partnership, Palace Yard and Beyond 2050.

These groups see us working directly across industry, academia and government; contributing to research, sharing our knowledge and developing fact-based policy recommendations on the future of the gas grid and how sustainable gases can support the UK's decarbonisation efforts.

IGEM's events went from strength to strength through the year with record attendance to conference, and keynote speaking events, with the year kicking off with the Gas Utilisation Conference, the only dedicated downstream engineering conference receiving record bookings, and the year concluding with the largest Annual Conference in recent history. In between we had the excellent Sir Denis Rooke Memorial Lecture from Louise Kingham, BP's Senior Vice-President, Europe, and Head of Country, UK with an engaging lecture on the "The role of natural gas on the road to net zero", shortly followed by the Policy Conference which had over 30% increase in attendance on the prior year, who heard from a wide range of speakers focusing on the whole energy system planning, domestic heating and flexible power generation – with a keynote session including the Department for Energy Security and Net Zero and Ofgem which set the scene for hydrogen across policy and regulation.

Throughout the year we supported the IGEM Sections wide range of events which accounted for over 50% of the events in the year, providing valuable CPD opportunities for our members. CPD isn't just reserved for IGEM members, and with almost 40% of the events dedicated to training on the technical standards we continue to provide essential learning opportunities for IGEM members and non-members to ensure the industry continues to provide a safe and secure gas network from beach to meter.

Outside of the annual calendar IGEM also had presence at various exhibitions such as the Installer Show, CCUS & Hydrogen Decarbonisation Summit, Political Party Conferences and held a visit to the historic Granton gasholder to re-enact a lunch first held in 1901 on the demolition of the gasholder, which is now part of the wider regeneration of the area with the iconic structure being restored and repurposed.

Investments

IGEM's Portfolio of Investments are managed by Rathbones Investment Management held within their Core Investment Fund for Charities. Performance is measured against a pre-agreed composite benchmark of market indices. The investment objectives for both the Unrestricted Funds and the Restricted Funds are to be balanced and managed for total return.

During the year the IGEM portfolio values have increased by a total of £87,658 (2022: decreased by £524,352) being 2.6% of the opening value. This represents a significant increase from last year. In addition, dividends earned are £106,083 (2022: £90,631).

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2023 Financial Review Funds Summary	2023	2022
General Reserve	1,300,000	900,000
Development	1,102,616	1,412,650
Property Maintenance Reserve	136,948	150,000
Scholarships & Medals Fund	527,949	569,816
Gas Innovation Fund	517,401	536,109
Hydrogen Standards Innovation Fund	7,411	50,209
GIUSP	-	7,000
Sections	166,545	166,537
History Fund	8,227	7,154
Property and Assets	1,174,209	1,216,619
	<u>4,941,306</u>	<u>5,016,094</u>

Reserves

The Institution's reserves are held to meet liabilities, working capital, operations, research, education and future developments to benefit members, customers and support the gas industry in a viable and sustainable manner. The Development Reserve is for future investment into the development of the Institution and to facilitate the investment into the energy transformation that is facing the industry.

In 2023, after the successful launch of the IGEM website and CRM system, Council approved funding for the next phase of the Digital Evolution and Engagement Project (Project DEEP) for up to £10,000 to scope the needs to build on the minimum viable product delivered for launch, and subsequently approved funding for up to £59,000, with 10% contingency, from the Development Reserve to develop the outputs of the scoping activity. DEEP Phase 2 is forecast to be complete in Q1 2024. Council previously approved a £100,000 budget in 2021 from the Development Reserve to a form a new hydrogen social community network (titled Sph2ere), which the Secretariat continue to progress towards a launch in 2024 after a dedicated resource was recruited in September 2023. The General Reserve is the free reserve, held at a value of up to approximately 6 months expenditure, currently set at £1,300,000 which provides adequate resilience to maintain liquidity and mitigate risks. The Restricted Funds were repurposed to enable increased application of the funds in order to make proper use of them in line with their objectives.

Total funds held by the charity at the end of the reporting period are £4,941,306. This is constituted of general, designated and restricted funds as detailed below.

Restricted	1,081,716
Designated	1,385,381
Fixed Assets	1,174,209
Free Reserves	1,300,000
	<u>4,941,306</u>

The expected timeframe of expenditure of the designated and restricted funds will be in line with the external environment of transition of energy over the decade to 2030.

The amount of reserves freely available to the charity, after allowing for restricted funds, committed expenditure, assets and designations are therefore greater than 6 months of expenditure and is in line with the reserve policy.

Further details of the funds held are included in Notes 16 and 17 to these financial statements.

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Risk Management

The Audit & Risk Committee is responsible for providing a robust risk management framework with effective controls that are integrated to the operational management of the Institution. The committee oversees quality management and governance processes including health, safety and environment, quality assurance management system that complies with BS EN ISO 9001:2015 standard and also a comprehensive risk register to identify, monitor and improve controls embedded within the organisation. The risk register has undergone a full review and has been simplified into a new format that has dashboard views for headline risks.

Strategies for managing these risks include the maintenance of identified processes that specifically mitigate the risk and a regularly reviewed action plan that is considered to provide further mitigation.

The Secretariat are responsible for the identification of risks and the effectiveness of management action to mitigate adverse performance against the Business Plan.

The detailed planning and execution of objectives and actions, resulting from risk reviews, are managed at an operational level within the Secretariat and are overseen by the Executive Board. There is an integrated management system that links risks, strategies, objectives and actions, managed by the Chief Executive Officer.

Lloyds Register Quality Assurance is our Accreditor and there were two surveillance visits undertaken this year, one on 2nd February (was postponed in December 2022) and 4th September. The outcome of September's audit was a continued satisfactory conformance to the Standard.

As a part of the requirements of this Standard, internal audits have to be undertaken. There are 4 member auditors, sitting on Audit & Risk Committee and 2 Staff auditors. There were 11 audits planned and all have been completed except one planned for the end of January 2024.

Provision of Information to the Auditor.

So far as each of the Trustees are aware at the time the report is approved:

- There is no relevant audit information of which the charity's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report was approved by the Council on 13 March 2024 and signed on its behalf.



Andrew Musgrave
President

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES
OF THE INSTITUTION OF GAS ENGINEERS AND MANAGERS**

Opinion

We have audited the financial statements of The Institution of Gas Engineers and Managers (the "Parent Charity") and its subsidiaries (the "Group") for the year ended 31 December 2023 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group and charity's affairs as at 31 December 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 are independent of the charity 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. 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statement 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 charity'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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the financial statements. 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.

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 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity 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 where the Charities Act 2011 requires us to report to you if, in our opinion:

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

- 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees 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 charity'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 charity 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. 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.

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:

Based on our understanding of the charitable company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the charitable company, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the charitable company's net income for the year.

Audit procedures performed included:

- review of the financial statement disclosures to underlying supporting documentation;
- testing of sales invoices to ensure revenue is recognised correctly within the financial statements;
- review of correspondence with and reports to the regulators, including correspondence on the Charity Commission;
- Enquiries of management in so far as they related to the financial statements, and
- testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above 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 would become aware of it. Also, 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 or intentional misrepresentations, or through collusion.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES
OF THE INSTITUTION OF GAS ENGINEERS AND MANAGERS**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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 charity's members, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Chris Mckain

Chris Mckain
(Senior Statutory Auditor)

For and on behalf of UHY Hacker Young
Chartered Accountants and Statutory Auditor

11 April 2024

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2023 £	TOTAL 2022 £
Incoming Resources						
Charitable Activities	2	2,395,328	75,398	1,288	2,472,014	2,299,213
Trading Activities		90,032	-	-	90,032	57,651
Investment Income	3	68,895	1,022	37,580	107,497	90,913
Total Incoming Resources		2,554,255	76,420	38,868	2,669,543	2,447,777
Resources Expended						
Raising Funds:						
Investment Manager Fees		4,816	-	2,633	7,449	7,849
Trading Expenditure		24,083	-	-	24,083	18,845
		28,899	-	2,633	31,532	26,694
Charitable Activities	4,5	2,418,750	204,983	176,724	2,800,457	2,754,612
Total Resources Expended		2,447,649	204,983	179,357	2,831,989	2,781,306
Net surplus/(deficit) before investments		106,606	(128,563)	(140,489)	(162,446)	(333,529)
Net gain/(loss) on Investments	8	56,917	(811)	31,552	87,658	(524,352)
Net surplus/(deficit) before transfers		163,523	(129,374)	(108,937)	(74,788)	(857,881)
Transfer between Funds		194,067	(194,067)	-	-	-
Net Movement in Funds		357,590	(323,441)	(108,937)	(74,788)	(857,881)
Total Funds Brought Forward	17	2,116,619	1,708,822	1,190,653	5,016,094	5,873,975
Total Funds Carried Forward	17	2,474,209	1,385,381	1,081,716	4,941,306	5,016,094

The statement of financial activities includes gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 23 to 39 form part of these accounts.

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023

		2023		2022
		£		£
Fixed Assets				
Tangible	9	1,174,209		1,216,619
Investments	10	<u>3,849,601</u>		<u>3,752,180</u>
		5,023,810		4,968,799
Current Assets				
Debtors	11	504,165		331,388
Short Term Investments	13	6,610		56,863
Cash at bank and in Hand	12	<u>356,136</u>		<u>419,547</u>
		866,911		807,798
Creditors: amounts falling due within one year	14	<u>(949,415)</u>		<u>(760,503)</u>
Net Current (Liabilities)/Assets		(82,504)		47,295
Net Assets		<u>4,941,306</u>		<u>5,016,094</u>
FUNDS				
Unrestricted	17	2,474,209		2,116,619
Restricted	17	1,081,716		1,190,653
Designated	17	<u>1,385,381</u>		<u>1,708,822</u>
		<u>4,941,306</u>		<u>5,016,094</u>

The financial statements were approved and authorised for issue by the Council and were signed on its behalf on 13 March 2024.



Andrew Musgrave
President

The notes on pages 23 to 39 form part of these accounts.

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
CHARITY BALANCE SHEET
YEAR ENDED 31 DECEMBER 2023

		2023	2022
		£	£
Fixed Assets			
Tangible	9	1,174,209	1,216,619
Investments	10	<u>3,850,601</u>	<u>3,753,180</u>
		5,024,810	4,969,799
Current Assets			
Debtors	11	502,847	348,458
Short Term Investments	13	6,610	56,863
Cash at bank and in Hand	12	<u>308,658</u>	<u>373,299</u>
		818,115	778,620
Creditors: amounts falling due within one year	14	<u>(943,047)</u>	<u>(773,063)</u>
Net Current (Liabilities)/Assets		(124,932)	5,557
Net Assets		<u><u>4,899,878</u></u>	<u><u>4,975,356</u></u>
FUNDS			
Unrestricted		2,474,209	2,100,406
Restricted		1,052,761	1,163,135
Designated		<u>1,372,908</u>	<u>1,711,815</u>
		<u><u>4,899,878</u></u>	<u><u>4,975,356</u></u>

The financial statements were approved and authorised for issue by the Council and were signed on its behalf on 13 March 2024.



Andrew Musgrave
President

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
CONSOLIDATED STATEMENT OF CASH FLOW
YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Net cash outflow from operating activities	20	<u>(211,398)</u>	<u>(575,927)</u>
Cash flows from Investing Activities:			
Dividends & Interest received		107,497	90,913
Purchase of property, plant and equipment		-	(1,501)
Purchase of investments		(16,516)	(13,671)
Proceeds from sale of investments		6,753	6,460
Net cash in from investing activities		<u>97,734</u>	<u>82,201</u>
Decrease in cash and cash equivalents in the reporting period		(113,664)	(493,726)
Cash and cash equivalent at the beginning of the reporting period		<u>476,410</u>	970,136
Cash and cash equivalent at the end of the reporting period		<u>362,746</u>	<u>476,410</u>
Relating to:			
Cash at Bank and in hand		356,136	419,547
Short Term Investments		6,610	56,863
		<u>362,746</u>	<u>476,410</u>

The notes on pages 23 to 39 form part of these accounts

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

1 ACCOUNTING POLICIES

(a) Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value. The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Institution constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Institution's ability to continue as a going concern.

There are no significant areas of adjustment or key assumptions that affect items in the accounts.

(b) Group financial statements

These financial statements consolidate the results of the charity, its wholly-owned subsidiary, IGEM House Ltd; and the Scholarships, Medals, Prizes and Lectureship Fund, the History Fund and the Institution of Gas Engineers (Scottish Section) Benevolent and Education Funds, which are separate charities, on a line by line basis. A separate Statement of Financial Activities (SOFA) for the Institution alone is not presented because the charity has taken advantage of the provisions to not disclose.

(c) Funds accounting

Funds held by the charity are:

Unrestricted general funds - these funds can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds - these are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds - these funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor.

(d) Incoming resources

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

Voluntary income is accounted for when received. Incoming resources represents the amount receivable during the year in respect of subscriptions, fees and other income.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Where income is received in advance of performance, its recognition is deferred and included in creditors until the contract is performed. Membership subscriptions received in advance are deferred and included in creditors.

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

1 ACCOUNTING POLICIES (continued)

(e) Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- costs of raising funds include those costs incurred in the management of the charity's investment portfolio.
- charitable activities include expenditure associated with the objects of the charity and include direct costs and support costs associated to these activities.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(f) Tangible Fixed Assets and Depreciation

Individual fixed assets costing £1,000 or more are capitalised at cost.

Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided to write off the cost of fixed assets to their residual value evenly over their estimated useful lives, which are as follows:-

Freehold property	50 years
Fixtures & Fittings	7 years
Computer equipment	3 years

(g) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the statement of financial activities.

(h) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

(i) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

1 ACCOUNTING POLICIES (continued)

(i) Realised gains and losses

are calculated as the difference between the fair value at the year-end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

(j) Heritage assets

The Institution possesses a collection of regalia and memorabilia, and a collection of library books. These items are held for the furtherance of the Institution's objects and are considered heritage assets.

Where heritage assets are donated, the Trustees consider that in the absence of reliable cost information, the expense of determining a reliable valuation of these artefacts is onerous compared with the additional benefit derived by users of the accounts in assessing the Trustees' stewardship of the assets. Heritage assets are gifted and are therefore excluded from the balance sheet in accordance with paragraph 18.14 of the SORP. Where heritage assets are purchased, the purchase costs are capitalised in the balance sheet.

(k) Cash and cash equivalents

Cash and cash equivalents include cash at bank and cash in hand as well as short-term highly liquid investments with a short maturity (recognised within short-term investments).

(l) Pensions

The Institution makes payments to defined contribution pension schemes on behalf of qualifying employees. Such contributions are charged in the Statement of Financial Activities when made. The contributions are invested separately from the Institution's assets.

(m) Operating leases

Operating lease rentals are charged on a straight-line basis over the lease term.

(n) Corporation tax

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

(o) Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

(p) Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Trustees consider that there are no material judgements or estimates.

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

2 CHARITABLE ACTIVITIES

Activities in the furtherance of the charity's objectives.

	Unrestricted	Designated	Restricted	Total 2023	Total 2022
	£	£	£	£	£
Membership	893,899	-	-	893,899	841,295
Technical	1,130,034	-	-	1,130,034	935,193
Conferences & Events	289,836	-	-	289,836	328,738
Journal	81,559	-	-	81,559	114,471
Sections (Excl Scottish Section)	-	72,591	-	72,591	74,689
Scottish Section	-	2,807	-	2,807	2,425
History Fund	-	-	1,288	1,288	2,402
	2,395,328	75,398	1,288	2,472,014	2,299,213

In 2022, of total income from charitable activities, £2,215,508 was to unrestricted funds, £77,114 was to designated funds and £6,591 was to restricted funds.

3 INVESTMENTS

Investment Income	Unrestricted	Designated	Restricted	Total 2023	Total 2022
	£	£	£	£	£
Bank Interest	823	228	363	1,414	282
Dividends and interest from investments	68,072	794	37,217	106,083	90,631
	68,895	1,022	37,580	107,497	90,913

In 2022, of total income from investments, £58,490 was to unrestricted funds, £872 was to designated funds and £31,551 was to restricted funds.

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

4 CHARITABLE EXPENDITURE

Cost of activities in the furtherance of the objectives of the charity

	Staff Costs £	Other Costs £	Support and Governance Costs £	Total 2023 £	Total 2022 £
General Funds:					
Membership	236,303	67,648	164,883	468,834	442,903
Technical	285,276	321,022	208,439	814,737	685,083
Conferences, Events, Marketing & Media	274,117	261,851	53,461	589,429	515,288
Journal	45,653	158,533	15,044	219,230	237,467
Facilities	33,461	76,566	13,389	123,416	86,745
Establishment	158,298	44,806	-	203,104	175,533
	1,033,108	930,426	455,216	2,418,750	2,143,019
Designated Funds:					
Section Expenditure	-	75,965	-	75,965	83,388
Development	-	115,966	-	115,966	214,676
Property Maintenance	-	13,052	-	13,052	-
	-	204,983	-	204,983	298,064
Restricted Funds:					
Scholarships & Medals	-	76,021	-	76,021	69,549
Gas Innovation	-	50,690	-	50,690	17,547
Hydrogen Standards Innovation	-	42,798	-	42,798	216,448
GIUSP	-	7,000	-	7,000	7,500
History	-	215	-	215	2,485
	-	176,724	-	176,724	313,529
	1,033,108	1,312,133	455,216	2,800,457	2,754,612

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

5 SUPPORT AND GOVERNANCE COSTS

	Staff Costs £	Other Costs £	Total 2023 £	Total 2022 £
<u>General & Support Costs:</u>				
Central Support	234,327	-	234,327	210,308
Legal and Professional Fees	-	3,263	3,263	935
Council Meetings & Staff Expenses	-	4,838	4,838	2,963
Bank & Credit Charges	-	30,593	30,593	24,789
Sundry	-	18,943	18,943	548
Postage & Telephone	-	27,718	27,718	27,130
Printing & Stationery	-	4,385	4,385	2,425
Computer Expenses	-	75,255	75,255	57,544
Subscriptions and Other Costs	-	5,889	5,889	7,854
Bad and Doubtful Debts	-	-	-	20,000
Irrecoverable VAT	-	17,486	17,486	20,618
<u>Governance Costs:</u>				
Audit & Accountancy Fees	-	13,785	13,785	13,500
Council and Trustee Expenses	-	18,734	18,734	2,258
	234,327	220,889	455,216	390,872

The Institution initially identifies the costs of its support functions. It then identifies those costs that relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the five key charitable activities undertaken (see note 4) in the year, based on the income generated for these charitable activities.

6 NET OUTGOING RESOURCES

This is stated after charging:

	2023 £	2022 £
Depreciation of Tangible Fixed Assets	42,410	29,228
Operating Lease Rentals	2,148	3,623
Audit fee	13,785	13,500

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

7 STAFF COSTS

The average monthly number of employees during the year was:

	2023	2022
	No.	No.
Office and Management	26	23
	2023	2022
	£	£
Staff Costs:		
Direct Salaries	954,751	960,860
National Insurance Contributions	88,414	93,599
Pension Contributions	122,833	113,723
	<u>1,165,998</u>	<u>1,168,182</u>

The number of employees whose emoluments as defined for taxation purposes amounting to over £60,000 in the year was as follows:

	2023	2022
	No.	No.
£60,000 to £70,000	1	1
£70,000 to £80,000	1	1
£110,000 to £120,000	-	1
£120,000 to £130,000	1	-

Pension contributions relating to those staff earning over £60,000 totalled £39,524 (2022: £51,756).

The Trustees and members of the Council received no remuneration during the year but travel expenses of £9,679 were paid to 4 council members (2022: £2,529 to 7 council members).

The Institution considers its key management personnel to comprise the Chief Executive Officer and the senior management team. The total employment benefits including employer pension contributions of the five (2022: five) key management personnel were £485,243 (2022: £439,602).

8 NET GAINS ON INVESTMENT ASSETS

	Unrestricted Funds	Restricted Funds	Designated Funds	Total 2023	Total 2022
	£	£	£	£	£
Gains on disposals	502	144	-	646	869
Net unrealised (loss) /gains on revaluation to market value	56,415	31,408	(811)	87,012	(525,221)
	<u>56,917</u>	<u>31,552</u>	<u>(811)</u>	<u>87,658</u>	<u>(524,352)</u>

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

9 TANGIBLE FIXED ASSETS

Group and Institution

Tangible Fixed Assets	Land & Buildings £	Office Equipment £	Total £
Cost			
At 1 January 2023	1,537,667	261,988	1,799,655
Transfer	(134,054)	134,054	-
At 31 December 2023	1,403,613	396,042	1,799,655
Depreciation			
At 1 January 2023	339,357	243,679	583,036
Charge for the Year	24,752	17,658	42,410
Transfer	(37,535)	37,535	-
At 31 December 2023	326,574	298,872	625,446
Net Book Amount			
At 31 December 2023	1,077,039	97,170	1,174,209
At 31 December 2022	1,198,310	18,309	1,216,619

Land and Buildings include land valued at £300,000 which is not depreciated.

Regalia, memorabilia and library collection of books – Heritage assets

The Institution has in its possession items gifted to it that comprises of regalia, memorabilia and a library collection of books, which have historical qualities and are held principally for their contribution to knowledge and therefore met the criteria for heritage assets.

These assets have not been included on the balance sheet as the information on their cost or valuation is not available, as these items were gifted to the Institution, and the information cannot be obtained at a cost commensurate with the benefit derived from obtaining this information. This is due to these items being unique and therefore a market value cannot be obtained, as their value would differ dependent on the user.

These regalia and memorabilia items are insured at a cumulative value of £307,200 (2022: £258,689). While the collection of library books has an insurance value of £64,717 (2022: £56,275).

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

10 INVESTMENTS

Group

Quoted Investments

	Unrestricted & Designated £	Restricted £	Total 2023 £	Total 2022 £
Market Value at 1 January 2023	2,436,052	1,316,128	3,752,180	4,269,320
Additions	-	16,516	16,516	13,671
Disposals	(4,869)	(1,238)	(6,107)	(5,590)
Revaluation to market value	55,604	31,408	87,012	(525,221)
Market Value at 31 December 2023	<u>2,486,787</u>	<u>1,362,814</u>	<u>3,849,601</u>	<u>3,752,180</u>
Historical Cost at 31 December 2023	<u>2,180,854</u>	<u>1,198,682</u>	<u>3,379,536</u>	<u>3,368,618</u>

The Investments are split as follows

Rathbones Core Investment Fund for Charities	2,472,536	1,362,814	3,835,350	3,737,117
M&G Investments	14,251	-	14,251	15,063
	<u>2,486,787</u>	<u>1,362,814</u>	<u>3,849,601</u>	<u>3,752,180</u>

Institution

	Unrestricted & Designated £	Restricted £	Total 2023 £	Total 2022 £
Quoted Investments	2,486,787	1,362,814	3,849,601	3,752,180
IGEM House Ltd	1,000	-	1,000	1,000
	<u>2,487,787</u>	<u>1,362,814</u>	<u>3,850,601</u>	<u>3,753,180</u>

Holdings in excess of 5% of the total market value:

Rathbones Core Investment Fund for Charities 99.6%

IGEM House Ltd, a wholly owned subsidiary of the Institution, was incorporated to carry out the commercial activities of the Institution.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The main risk to the Institution from financial instruments lies in the combination of uncertain investment markets and volatility in yield.

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
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10 INVESTMENTS (continued)

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so their ability to buy and sell quoted equities and stock is anticipated to continue. The Institution's investments are mainly traded in markets with good liquidity and high trading volumes.

The Institution has no material investment holdings in markets subject to exchange controls or trading restrictions. The Institution does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer-term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5-year period will normally be corrected.

11 DEBTORS

Debtors	Group		Institution	
	2023 £	2022 £	2023 £	2022 £
Due within one year				
Trade Debtors	426,400	290,962	387,732	282,946
Amounts due from Group Undertakings	-	-	37,350	25,086
Other Tax & Social Security	-	4,559	-	4,559
Prepayments & Accrued Income	77,765	35,867	77,765	35,867
	<u>504,165</u>	<u>331,388</u>	<u>502,847</u>	<u>348,458</u>

12 CASH AT BANK AND IN HAND

Cash at Bank and in Hand	Group		Institution	
	2023 £	2022 £	2023 £	2022 £
Unrestricted	273,360	336,811	267,342	331,422
Designated	53,789	54,332	41,316	41,877
Restricted	28,987	28,404	-	-
	<u>356,136</u>	<u>419,547</u>	<u>308,658</u>	<u>373,299</u>

13 SHORT TERM INVESTMENTS

Short term investments represent uninvested cash funds and are held in interest-bearing bank accounts.

Group and Institution

	Unrestricted £	Restricted £	Total 2023 £	Total 2022 £
Income and Capital Account	98	512	610	863
Money Market Account	6,000	-	6,000	56,000
	<u>6,098</u>	<u>512</u>	<u>6,610</u>	<u>56,863</u>

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

14 CREDITORS

Creditors	Group		Institution	
	2023 £	2022 £	2023 £	2022 £
Due within one year				
Trade Creditors	198,919	79,751	198,300	91,751
Other Tax and Social Security	68,105	42,423	64,003	38,575
Other Creditors	15,135	11,745	15,136	11,745
Accruals and Deferred income	667,256	626,584	665,608	630,992
	<u>949,415</u>	<u>760,503</u>	<u>943,047</u>	<u>773,063</u>

15 DEFERRED INCOME

Group and Institution

	£	
Movements in Deferred Income:		
Balance at 1 January 2023	496,089	
Released during the year	(487,987)	
Deferred during the year	530,743	
Balance at 31 December 2023	<u>538,845</u>	
	2023	2022
	£	£
Deferred Income is made up of:		
Membership Income received in advance	307,540	304,706
Event Income received in advance	48,315	28,995
Technical Income received in advance	148,977	143,153
Hydrogen Knowledge Centre received in advance	12,750	12,750
History Fund Income received in advance	32	268
Journal Income received in advance	17,606	6,217
Section income received in advance	3,625	-
	<u>538,845</u>	<u>496,089</u>

Membership income received in advance relates to subscriptions received in the current year that relate to the year to December 2024. Other income received in advance relates to journal advertising income and History Fund income received in the current year that relate to the year to December 2024.

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
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16 FUNDS

Restricted

1. Scholarship, Medals, Prizes and Lectureship Fund

This restricted fund has various scholarship, medals, prizes and lectureship fund that have been previously donated by individuals and organisations, and are consolidated into this fund. The objects of the fund are to further education and knowledge in gas engineering and management (in particular but not exclusively by the award of medals, scholarships, prizes, and lectureships) and in the provision of other learning opportunities and events.

2. History Fund

The purpose of this fund is to promote public education and research into the history of the gas industry and publish the useful results of such research. The Panel for the History of the Industry administers the fund and, amongst its other activities, it produces a quarterly newsletter, *Historic Gas Times*.

3. Gas Innovation Fund (previously LNG Fund)

The surplus from the 11th LNG International Conference and Exhibition held in 1995 has been donated to the Institution used for educational purposes and research into technical and commercial applications of gas such as Liquid Natural Gas, Hydrogen and Methane etc.

4. Scottish Section Education Fund

This fund exists to sponsor a travelling scholarship, awarded from time to time by the Scottish section.

5. Gas Industry Unsafe Procedures (GIUSP)

Gainshare funding of £45,000 has been received in 2017 for IGEM to review and manage the Gas Industry Unsafe Situation Procedures over the next seven years.

6. Hydrogen Standards Innovation Fund

This fund was created in 2020 to fund research activities to enable Hydrogen Standards to be written. IGEM has contributed £100,000 from the Development Fund as a commitment to initiate the fund and further funding has been received from industry network partners.

Designated

1. Development Fund

The Institution has set up a fund to promote the commercial development of the Institution in line with its charitable objectives, to facilitate investment into future sustainability and the energy transformation that is facing the industry. The previously designated International Development Fund has now been incorporated into here.

2. Sections

The Institution has affiliated Sections that have a uniform constitution agreed by the Council and the same charity registration number as the Institution. Grants are sometimes allocated to the Sections. Funds held by Sections are designated for the development of the Institution's activities in the regions.

3. Property maintenance reserve

The Institution has set up a fund for refurbishments in order to maintain the value and use of the property.

Unrestricted

This is expendable at the discretion of the Trustees. It ensures that services are not interrupted in the event of a sudden loss of income or unexpected expenditure. It includes the operating activities of the Institution in addition to the operating results of IGEM House Ltd.

Property and assets represent the net book value of fixed asset acquired and funded from the Charity's unrestricted funds.

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

17 MOVEMENT OF FUNDS

	Balance at 1st Jan 2023	Income	Expenditure	Investment Movement	Transfers	Balance at 31st Dec 2023
Unrestricted Funds						
Group and Institution						
General Reserve	900,000	2,554,255	(2,405,239)	56,917	194,067	1,300,000
Property and Assets	1,216,619	-	(42,410)	-	-	1,174,209
	2,116,619	2,554,255	(2,447,649)	56,917	194,067	2,474,209
Restricted Funds						
Institution						
Scholarships & Medals Fund	569,816	19,346	(77,393)	16,180	-	527,949
Gas Innovation Fund	536,109	17,871	(51,951)	15,372	-	517,401
Hydrogen Standards Innovation Fund	50,209	-	(42,798)	-	-	7,411
GIUSP	7,000	-	(7,000)	-	-	-
Group (including above)						
History Fund	7,154	1,288	(215)	-	-	8,227
Scottish Section	20,365	363	-	-	-	20,728
	1,190,653	38,868	(179,357)	31,552	-	1,081,716
Designated Funds						
Institution						
Development	1,412,650	-	(115,967)	-	(194,067)	1,102,616
Property Maintenance Reserve	150,000	-	(13,052)	-	-	136,948
Sections:						
Northeast & Yorkshire	11,420	13,819	(12,553)	-	-	12,686
Welsh	18,736	13,739	(11,915)	(811)	-	19,749
Midlands	26,990	-	(2,883)	-	-	24,107
North West	12,066	8,252	(9,701)	-	-	10,617
Far East	41,877	21,607	(22,167)	-	-	41,317
London, Southern & Eastern	5,659	4,785	(6,581)	-	-	3,863
South West	5,243	2,110	(2,598)	-	-	4,755
Irish	4,170	-	-	-	-	4,170
Industrial Affiliates	6,758	3,300	(4,645)	-	-	5,413
Young Persons Network	833	6,000	(166)	-	-	6,667
Group (including above)						
Scottish	12,420	2,808	(2,755)	-	-	12,473
	1,708,822	76,420	(204,983)	(811)	(194,067)	1,385,381
	5,016,094	2,669,543	(2,831,989)	87,658	-	4,941,306

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

17 MOVEMENT OF FUNDS (continued)
PRIOR YEAR COMPARATIVE

	Balance at 1st Jan 2022	Income	Expenditure	Investment Movement	Transfers	Balance at 31st Dec 2022
Unrestricted Funds						
Group and Institution						
General Reserve	900,000	2,331,649	(2,139,234)	(340,742)	148,327	900,000
Property and Assets	1,244,347	-	(27,728)	-	-	1,216,619
	2,144,347	2,331,649	(2,166,962)	(340,742)	148,327	2,116,619
Restricted Funds						
Institution						
Scholarships & Medals Fund	719,691	17,965	(70,997)	(96,843)	-	569,816
Gas Innovation Fund	632,091	14,882	(18,850)	(86,767)	(5,247)	536,109
Hydrogen Standards Innovation Fund	258,612	2,798	(216,448)	-	5,247	50,209
GIUSP	14,500	-	(7,500)	-	-	7,000
Group (including above)						
History Fund	7,237	2,402	(2,485)	-	-	7,154
Scottish Section	20,270	95	-	-	-	20,365
	1,652,401	38,142	(316,280)	(183,610)	-	1,190,653
Designated Funds						
Institution						
Development	1,775,653	-	(214,676)	-	(148,327)	1,412,650
Property Maintenance Reserve	150,000	-	-	-	-	150,000
Sections:						
Northeast & Yorkshire	9,593	15,551	(13,724)	-	-	11,420
Welsh	19,788	9,161	(10,213)	-	-	18,736
Midlands	25,031	3,700	(1,741)	-	-	26,990
North West	15,605	12,195	(15,734)	-	-	12,066
Far East	28,332	23,866	(10,321)	-	-	41,877
London, Southern & Eastern	8,477	3,909	(6,727)	-	-	5,659
South West	5,543	7,179	(7,479)	-	-	5,243
Irish	4,170	-	-	-	-	4,170
Industrial Affiliates	7,153	-	(395)	-	-	6,758
Young Persons Network	15,033	-	(14,200)	-	-	833
Group (including above)						
Scottish	12,849	2,425	(2,854)	-	-	12,420
	2,077,227	77,986	(298,064)	-	(148,327)	1,708,822
	5,873,975	2,447,777	(2,781,306)	(524,352)	-	5,016,094

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted/ Designated Funds £	Restricted Funds £	Total 2023 £
Fund Balances at 31 December 2023 are represented by:			
Tangible fixed assets	1,174,209	-	1,174,209
Investments	2,486,787	1,362,814	3,849,601
Cash	333,247	29,499	362,746
Net current liabilities	(134,653)	(310,597)	(445,250)
Total net assets	3,859,590	1,081,716	4,941,306

	Unrestricted/ Designated Funds £	Restricted Funds £	Total 2022 £
Fund balances at 31 December 2022 are represented by:			
Tangible fixed assets	1,216,619	-	1,216,619
Investments	2,436,052	1,316,128	3,752,180
Cash	447,599	28,811	476,410
Net current liabilities	(274,829)	(154,286)	(429,115)
Total net assets	3,825,441	1,190,653	5,016,094

19 COMMITMENTS UNDER OPERATING LEASES

As at 31 December 2023 the Group and Institution had commitments under operating leases as follows:

	Other	
Group and Institution	2023	2022
	£	£
Within one year	1,670	2,070
Between two and five years	-	1,552
	1,670	3,622

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

20 RECONCILIATION OF NET DEFICIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net deficit for the reporting period	(74,788)	(857,881)
Adjustments for:		
Depreciation charges	42,410	29,228
Gain on disposal of Investments	(646)	(869)
Fair value movement on investments	(87,012)	525,221
Dividends, interest and rents from investments	(107,497)	(90,914)
(Increase) in debtors	(172,777)	(53,338)
Increase / (decrease) in creditors	188,912	(127,374)
Cash used from Operations	(211,398)	(575,927)

21 ANALYSIS OF NET DEBT

	1 January	Cash flows	31 December
	2023	£	2023
	£	£	£
Short term investments	56,863	(50,253)	6,610
Cash	419,547	(63,411)	356,136
Total net debt	476,410	(113,664)	362,746

22 RELATED PARTY TRANSACTIONS

The group and the institution has taken advantage of the exemption available under section 1AC.35 of FRS 102, from disclosing transactions entered into between two or more wholly owned members of the group.

23 CONSOLIDATED ENTITIES

The entities included in the consolidation are:

The History Fund – charity number 287678 – incorporated in England and Wales
 IGEM House Ltd (100% owned) – company number 03093169 – incorporated in England and Wales
 Institution of Gas Engineers (Scottish Section) Benevolent and Education Funds - charity number SC006601
 – incorporated in Scotland

The charity's financial statements include those of the Institution of Gas Engineers and Managers Scholarships, Medals, Prizes and Lectureships Fund - charity number 214011-11 - registered in England and Wales.

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
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24 FINANCIAL INSTRUMENTS

The Society's financial instruments may be analysed as follows:

	2023	2022
	£	£
Financial assets		
Financial assets measured at amortised cost	789,146	766,966
	<hr/>	<hr/>
Financial liabilities		
Financial liabilities measured at amortised cost	881,310	718,080
	<hr/>	<hr/>

Financial assets measured at amortised cost comprise cash at bank, trade debtors and short-term investments.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

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