

Registered Charity Number: 214011

# **THE INSTITUTION OF GAS ENGINEERS AND MANAGERS**

Trustees' Report and Financial Statements

Year Ended 31 December 2021

# THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

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# THE INSTITUTION OF GAS ENGINEERS AND MANAGERS YEAR ENDED 31 DECEMBER 2021

## LEGAL AND ADMINISTRATIVE INFORMATION

### Officers and Council Members as at 31<sup>st</sup> December 2021:

<b>President</b>	Duncan Wong CEng FIGEM FHKIE	
<b>Past President</b>	Antony Green CEng CWEM FCIWEM MIW FIGEM	
<b>President Elect</b>	Ben Clarke CEng MIGEM IET	
<b>Vice President</b>	David Parkin CEng FIGEM	
<b>Honorary Secretary*</b>	Gordon Davies CEng FIGEM	
<b>Chief Executive*</b>	Neil Atkinson CEng FICChemE HonFSE	
<b>Ordinary Members</b>	Gary Tomlin BSc MSc PGDip CEng FIGEM Andrew Middleton EngTech MIGEM Barry Dalus IEng MIGEM Albert Leung BSc CEng FIGEM Trevor Smallpiece EngTech FIGEM Ben Kuchta CEng FIGEM David Tomkin EngTech FIGEM Philippa Wrenn CEng MIGEM David McLeod CEng MIGEM Bridget Hartley CEng MIGEM Steve Critchlow EngTech MIGEM Michael Blake CEng MIMechE MIGEM	
<b>Section Members</b>	Cheung Pak-kin CEng MIGEM James McStravog HCEng MIGEM Andrew Musgrave CEng FIGEM Lucy Ritchie MIGEM Ben Hanley AIGEM Paul Rhodes MIGEM Stuart McLeod IEng MIGEM Peter Davis IEng MIGEM Elliot Ross MIGEM Gordon McMillan AIGEM Phil Jenkins MIGEM	Far East Irish London, Southern & Eastern Midlands North East & Yorkshire North West Scottish South West Welsh Young Persons Section Industrial Affiliate
<b>Co-opted Members*</b>	Hilary Buxton CEng MIMechE FIGEM Chris Bielby CBE CEng FIGEM MCFI MIOd Christopher Gorman CEng MIGEM	

\*denotes Non-Trustee

### Also, Trustees for the period to 18<sup>th</sup> June 2020:

Karl Miller BEng CEng FIGEM Morgan James AIGEM Ben Smith CEng MIMechE MIGEM Grant Rogers AIGEM Paul Lawrence MBA BSc (Hons) CEng FICChemE FIGEM FCFI	Cheung Pak-kin CEng MIGEM Jordan Rowbottom IEng MIGEM Zenon Przybyszewski MIGEM Kathryn Brown CEng MIGEM Tom Vella GradIGEM
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**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS  
YEAR ENDED 31 DECEMBER 2021**

**LEGAL AND ADMINISTRATIVE INFORMATION**

**Secretariat Senior Staff**

Chief Executive Officer	Neil Atkinson CEng FICChemE HonFSE
Head of Technical Services & Policy	Ian McCluskey BEng CEng FIMechE FIGEM
Head of Finance & Business	Kristina Parkin JP BSc(Hons) ACMA CGMA MCIPP MIGEM
Head of Membership Services	Claire McHugh BA(Hons) AIGEM
Head of Development and Knowledge Delivery	Simon Trollope MBA BSc(Hons) MCIM AIGEM
Head of Marketing & Events	Gemma Bailey BA(Hons) AIGEM up to 25 <sup>th</sup> Sept 2020

**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 7AZ

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2021**

The Trustees of the Institution of Gas Engineers and Managers (IGEM) present their report and audited financial statements for the year ended 31 December 2020. 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**

The gas industry is changing in response to climate change imperatives and this will have significant effects on the way that gas is used and the operation of the gas networks. IGEM is part of driving that change and has a business plan to deliver our central purpose to advance gas engineering in all its forms for the benefit of society. The Business Plan 'enabling the transition supporting, the profession' provides a four-year framework for the future, a starting point for the decade of transformation that faces the gas industry.

The object of the Institution is to be the pre-eminent Institution for gas professionals and to champion the acquisition, exchange and utilisation of engineering expertise in collaboration with the gas industry for the benefit of society.

Our strategic goals are:

- |                   |  |
|-------------------|--|
| Strategic Goal 1: | Foster the highest standards of professional competence                |
| Strategic Goal 2: | Promote gas engineering excellence                                     |
| Strategic Goal 3: | Support innovation in collaboration with industry stakeholders         |
| Strategic Goal 4: | Provide an influential and respected source of advice for policymakers |

Underpinning the strategic goals are two core objectives. These core objectives are internally facing and focused on the health and sustainability of the organisation:

- |                   |   |
|-------------------|---|
| Core Objective 1: | Ensure that IGEM's financial position supports sustained growth   |
| Core Objective 2: | Ensure that IGEM's governance framework is fit for purpose to allow our charitable objectives to be fulfilled effectively and efficiently |

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

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 aims and objectives and in planning our future activities. In particular, the Trustees routinely consider how planned activities will contribute to the aims and objectives they have set.

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS**  
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**Public Benefit Statement (continued)**

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 gas 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; and
- 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;
- Extending our reach by developing support for new sectors.

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. 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 research.

**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 INSTITUTION OF GAS ENGINEERS AND MANAGERS**  
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**Structure, Governance and Management (continued)**

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 Chairman [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. Trustees change at IGEM's Annual General Meeting each year. Ordinary Members serve for three years and Section Chairs serve for one year.

Council is supported by an Executive Board of Trustees 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
- 3 Ordinary Members\*
- Chief Executive Officer

\* Indicates a Trustee member of Council

IGEM comprises the following entities:

Institution of Gas Engineers and Managers	Charity No. 214011
Scholarships, Medals, Prizes and Lectureship Fund	Charity No. 214011-11
History Fund	Charity No. 287678
Institution of Gas Engineers (Scottish Section) Benevolent and Education	Charity No. SC006601
IGEM House Ltd	Company No. 03093169

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.

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS**  
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**Structure, Governance and Management (continued)**

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 2020, there are approximately 482 volunteers actively involved in IGEM who collectively provide volunteer services totalling around 11,637 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 in Hong Kong:

- Far East District Section
- Irish Section
- London, Southern & Eastern Section
- Midlands Section
- North East & Yorkshire Section
- North West Section
- Scottish Section
- South West Section
- 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:

- Industrial Affiliates Section, which represents our company members. 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. The flagship event of the YPN is its short paper competition. The winner this year was Sikander Mahmood, Project Manager at Future Networks, Cadent, for his presentation discussing work on the HyDeploy project.



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**Covid-19**

The Covid-19 pandemic has resulted in some challenges for the Industry and the Institution. The secretariat moved to home working efficiently, with systems and electronic communications capably employed to maintain business continuity and continue service delivery. Most income streams and sales continued to be maintained, except for events, conferencing, training and facility services, which were all negatively impacted. Cost management, some application of furlough to retain jobs, and redeployment of some staff enabled efficient application of resources and recovery of some activities temporarily impacted. Investment has been made in online platforms to resume delivery of events and training, to support the CPD delivery and services to our members.

The Trustees anticipate that the pandemic may continue to impact parts of the Institution and have taken a prudent approach moving forward and expect to retain close to an operational breakeven. With cash backed reserve holdings, there is sufficient cover if required but the positive contribution resulting from 2020 outturn will be able to support the financial structure and allows for mitigation of the risk moving forward. Therefore, the Institution can continue to function effectively, invest in service delivery and run comfortably as a going concern.

**Achievement and Performance**

IGEM maintains ISO 9001:2015 quality accreditation.

IGEM is licenced by the Engineering Council to assess candidates for inclusion on the national register of professional engineers and technicians, to accredit academic programmes and professional development schemes and to monitor the continuing professional development of registrants.

Membership services recruited and supported members during the year, including delivery of mentoring and continuous professional development.

Individual Members	Opening*	New	Lapsed or resigned	Progression		Closing
				In	Out	
Honorary	6	0	0	0	0	6
Companion	26	0	3	0	0	23
Fellow	239	0	15	9	0	233
Chartered Member	1,176	16	66	9	5	1,130
Incorporated Member	419	4	38	12	2	395
Engineering Technician Member	649	103	112	21	7	654
Member Manager	126	14	16	2	1	125
Non-Corporate grades	766	121	157	0	29	701
Students	168	15	25	0	2	156
<b>Total</b>	<b>3,575</b>	<b>273</b>	<b>432</b>	<b>53</b>	<b>46</b>	<b>3,423</b>

Industrial Affiliate Members	Opening	New	Lapsed or resigned	Movement	Closing
Small (1-5 employees)	90	18	13	(1)	94
Small - Medium (6-15 employees)	57	6	3	0	60
Medium (16-99 employees)	92	7	7	0	92
Medium - Large (100-499 employees)	66	2	3	1	66
Large (500+ employees)	26	0	3	0	23
<b>Total</b>	<b>331</b>	<b>33</b>	<b>29</b>	<b>0</b>	<b>335</b>

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A program of awarding grants and scholarships progressed, with a high quality of applications resulting in two undergraduate scholarships, one first year undergraduate scholarship, one postgraduate scholarship and an Eng Tech Development grant awarded to support relevant sector studies.

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.

Standards published during the year are:

- IGEM/UP/6 Application of Compressors to Natural Gas Fuel Systems
- IGEM/UP/16 Design for Natural Gas Installations on Industrial & Commercial Premises
- IGEM/H/1 Hydrogen Reference Standard
- IGEM/H/PRS/1 Hydrogen Excess Flow Valves Technical Specification

2020 saw renewed commitment to the UK's transition to net-zero, as was reflected in the government's Energy White Paper and its 10-point plan for a green industrial revolution. IGEM continued to work directly with gas network companies, safety experts, academics and policy advisors to assess the evidence base and develop informed recommendations on the future of the gas grid and, particularly, the use of hydrogen for heat. Changes to the regulatory legislation are required to permit more low carbon gases into the network, reduce natural gas processing emissions, and allow use of hydrogen.

IGEM continued to focus on the strategic importance of hydrogen in pursuit of the government's Net Zero emissions target throughout the year. IGEM also launched a Policy Hub, targeted at promoting IGEM as a trusted source of policy news, consultations, policy statements and research reports.

A HyTechnical project was initiated in 2020. This is a new NIA-funded collaboration between IGEM and the UK gas networks that IGEM initiated with seed funding to manage development standards supporting the gas networks in the delivery of hydrogen. The project is developing research and a scientific evidence base for the assessment of operational issues for pressure reducing installations (PRIs) and other installations for hydrogen and hydrogen/natural gas transportation.

IGEM was awarded a contract from the Department for Business, Energy & Industrial Strategy (BEIS) to create a digital repository dedicated to sharing hydrogen resources for leading the advancement of hydrogen knowledge nationally and internationally.

IGEM subsequently designed a searchable and intuitive database of hydrogen research, journal articles, policy reports, data sets, presentations and videos to create a unique Hydrogen Knowledge Centre. Working with stakeholders and contributors from gas network companies, leading academic institutions, research centres and industry experts, the repository houses an extensive range of resources from across the spectrum of hydrogen technologies and industrial applications. At year-end pre-launch stage the Centre held over 1,300 hydrogen-related publications from over 70 leading sources and contributions from more than 2,200 individual authors.

The events and conferences program was more limited than planned but some key events were still delivered with favourable attendance and engagement. The Annual Conference moved online and had an extensive programme exploring two themes: Enabling the Transition and Transition in Action. Rt Hon Kwasi Kwarteng, then Minister of Energy, delivered the keynote address while other speakers included

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS**  
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Ofgem Chief Executive Jonathan Brearley, Green Gas Champion and former CEO of Cadent Chris Train, as well as several international inputs.

In addition, the Gas Utilisation Conference explored Forces for Change and focused on the changing environment, the changing workforce, and the changing role of gas in the utilisation sector.

The Sir Denis Rooke Memorial Lecture was delivered by Chris Stark, CEO of the Committee on Climate Change, who discussed the energy transition via Molecules and Electrons – the net zero conundrum.

**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.

The portfolios have produced a level of income at 1.9%, being £73,394, and produced an annual total return of 8.3% compared to a benchmark portfolio return of 3.7%. Total market value movement of £186,117 contributed positively to the holdings.

**2020 Financial Review**

**Funds Summary**

	<b>2020</b>	<b>2019</b>
General Reserve	900,000	900,000
Development Fund	1,508,519	1,434,039
Property Maintenance Reserve	150,000	150,000
S&M	657,437	673,846
Gas Innovation Fund	567,723	559,366
Hydrogen Standards Innovation Fund	387,435	-
GIUSP	22,000	29,500
Sections	159,833	146,661
History	7,355	8,065
Property & Assets	1,240,758	1,263,417
	<u>5,601,060</u>	<u>5,164,895</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. A comprehensive review of funds and reserve holdings was undertaken which resulted in some funds movements and refreshed policies and applications of use. The International Development Fund designation was removed as international activity is now self-sustaining. The fund was transferred into the Development Reserve for future investment in to the development of the Institution and to facilitate the investment into the energy transformation that is facing the industry. The General Reserve are the free reserves, held at a value of up to approximately 6 months expenditure, currently set at £900,000 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 £5,601,060. This is constituted of general, designated and restricted funds as detailed below.

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Restricted	1,662,218
Designated	1,798,084
Fixed Assets	1,240,758
Free Reserves	<u>900,000</u>
	<u>5,601,060</u>

The expected time frame 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 and starting in 2020 with investment in resourcing development of membership and provision of services.

The amount of reserves freely available to the charity, after allowing for restricted funds, committed expenditure, assets and designations are therefore £900,000 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.

### **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.

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.

In 2021, work will continue in monitoring the governance of IGEM through financial viability, continued development of financial policy and procedures and the assessment of financial risk. This will be monitored, measured and reported through forecast reviews, audits, development of key performance indicators and regular reporting to the Management Team, Audit and Risk Committee, Executive Board and Council.

### **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 25<sup>th</sup> March 2021 and signed on its behalf.

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Ben Clarke**  
President



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## **Institution of Gas Engineers and Managers**

IGEM House  
26 & 28 High Street  
Kegworth  
Derbyshire  
DE74 2DA

Registered Charity - 214011

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