

ANNUAL REPORT AND ACCOUNTS

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2019

Registered Charity Number: 214011

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

Trustees' Report and Financial Statements

Year Ended 31 December 2019

# THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

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# THE INSTITUTION OF GAS ENGINEERS AND MANAGERS YEAR ENDED 31 DECEMBER 2019

## LEGAL AND ADMINISTRATIVE INFORMATION

### Officers and Council Members as at 31<sup>st</sup> December 2019:

<b>President</b>	Antony Green CEng CWEM FCIWEM MIW FIGEM	
<b>Past President</b>	Steve Edwards BSc FIGEM	
<b>President Elect</b>	Duncan Wong CEng FIGEM FHKIE	
<b>Vice President</b>	Ben Clarke CEng MIGEM MIET	
<b>Honorary Secretary*</b>	Gordon Davies CEng FIGEM	
<b>Chief Executive*</b>	Neil Atkinson CEng FICHEM HonFSE	
<b>Ordinary Members</b>	Andrew Middleton EngTech MIGEM Karl Miller BEng CEng FIGEM Paul Lawrence MBA BSc (Hons) CEng FICHEM FIGEM FCMI Gary Tomlin BSc MSc PGDip CEng FIGEM 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	
<b>Section Members</b>	Eddie Pak BEng (hons) CEng MIMechE FIGEM MHKIE David Butler CEng MIGEM Tom Vella GradIGEM Jordan Rowbottom IEng MIGEM Ben Smith CEng MIMechE MIGEM Zenon Przybyszewski MIGEM David McLeod CEng MIGEM Grant Rogers AIGEM Morgan James AIGEM Kathryn Brown CEng MIGEM 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>	Simon Griew MA (Cantab) MIGEM Chris Bielby CBE CEng FIGEM MCMi MIOd Christopher Gorman CEng MIGEM	

\*denotes Non-Trustee

### Also, Trustees for the period to 15<sup>th</sup> May 2019:

Glen Judge IEng MIGEM	Martin Alderson CEng FIGEM
Paul Denniff CEng MIMechE FIGEM	Colin McCann CIGEM
Sam Wilson EngTech MIGEM	Chris Hogg EngTech MIGEM
Tommy Knott MIGEM	Chris Clarke BSc CEng FIGEM
Thomas James CEng MIGEM	

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS  
YEAR ENDED 31 DECEMBER 2019**

**LEGAL AND ADMINISTRATIVE INFORMATION**

**Secretariat Senior Staff**

Chief Executive Officer	Neil Atkinson CEng FIChemE HonFSE
Head of Technical Services & Policy	Ian McCluskey BEng CEng FIMechE FIGEM
Head of Finance & Business	Kristina Parkin BSc(Hons) ACMA CGMA MCIPP MIGEM
Head of Membership Services	Claire McHugh BA(Hons) AIGEM
Head of Marketing & Events	Gemma Bailey BA(Hons) AIGEM
Head of Development and Knowledge Delivery	Simon Trollope MBA BSc(Hons) MCIM 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 7AZ

# THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

## YEAR ENDED 31 DECEMBER 2019

### 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 2019. The financial statements comply with the Institution's Royal Charter, applicable Companies and Charities Acts and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2015). 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 recently redeveloped 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 objects 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, communication and support.

The nine 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

## YEAR ENDED 31 DECEMBER 2019

### TRUSTEES' REPORT

#### 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 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.

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 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:

# THE INSTITUTION OF GAS ENGINEERS AND MANAGERS YEAR ENDED 31 DECEMBER 2019

## TRUSTEES' REPORT

### Structure, Governance and Management (continued)

- President\*
- President Elect\*
- Vice President\*
- Immediate Past President\*
- Honorary Secretary
- 12 Ordinary Members\*
- 11 Section Chairman [or nominated representative]\*
- Chief Executive Officer
- Any Chairman of a Working Committee who is not a Trustee

\* 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.

Following the Governance restructure, Council is now 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. 214011-1
History Fund	Charity No. 287678
Institution of Gas Engineers (Scottish Section) Benevolent and Education	Charity No. 006601
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.

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



# THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

## YEAR ENDED 31 DECEMBER 2019

### TRUSTEES' REPORT

#### Structure, Governance and Management (continued)

and interviewing. There are approximately 442 volunteers actively involved in IGEM who collectively provide volunteer services totalling around 11,798 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 an induction package and training to fully explain their roles and responsibilities. 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 prize for this year's winning entry is a visit to the 2020 International Pipeline Conference in Calgary, Canada and was won by Andrew Wynne.

# THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

## YEAR ENDED 31 DECEMBER 2019

### TRUSTEES' REPORT

#### 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	28	1	3	0	0	26
Fellow	240	0	6	5	0	239
Chartered Member	1,226	8	75	17	0	1,176
Incorporated Member	442	6	33	9	5	419
Engineering Technician Member	634	90	86	18	7	649
Member Manager	130	8	12	1	1	126
Non-Corporate grades	814	125	149	11	35	766
<b>Total</b>	<b>3,520</b>	<b>238</b>	<b>364</b>	<b>61</b>	<b>48</b>	<b>3,407</b>

\*Excluding Students

Industrial Affiliate Members	Opening	New	Lapsed or resigned	Movement	Closing
Small (1-5 employees)	87	10	6	-1	90
Small - Medium (6-15 employees)	57	4	4	0	57
Medium (16-99 employees)	85	13	7	1	92
Medium - Large (100-499 employees)	66	5	3	-2	66
Large (500+ employees)	30	0	6	2	26
<b>Total</b>	<b>325</b>	<b>32</b>	<b>26</b>	<b>0</b>	<b>331</b>

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/TD/16 Biomethane Injection:
- IGEM/TD/19 Reinforced PE for High Pressure Pipelines
- IGEM/SR/15 Integrity of Gas Related Systems (reapproved for 3 years)
- IGEM/SR/18 Safe Working Practices to Ensure the Integrity of Gas Assets and Associated Installations
- IGEM/SR/29 Dealing with Gas Escapes
- IGEM/GM/4 Flowmetering Practices. Inlet Pressure Exceeding 38 Bar And Not Exceeding 100 Bar
- IGEM/PRS/40 Meter Pressure Meter Installation Kits For Flow Rates Not Exceeding 6M<sup>3</sup>/Hr

# THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

## YEAR ENDED 31 DECEMBER 2019

### TRUSTEES' REPORT

#### Achievement and Performance (continued)

- IGEM/PRS/41 Low Pressure Domestic Meter Installation Kits
- IGEM/PRS/50 Specification For Gas Meter Serial Numbering

Critical work has continued to progress on the production of a 3<sup>rd</sup> working draft of the standard IGEM/GL/10 titled "Gas Quality Specification for Conveyance of Group H Gases of the Second Gas Family". A new Gas Quality Standard is fundamental to changing the regulatory framework that can allow more decarbonised gases onto the network, reduce natural gas processing emissions, and be efficiently updated to allow hydrogen to be blended in the near future. A new standard is therefore seen as essential to meeting the UK's net zero emissions.

IGEM has increased its focus on the decarbonisation agenda, working not only on updating existing gas standards but also enabling the development of new standards. In 2019 IGEM commissioned a new Hydrogen committee, worked on new Hydrogen standards, developed a hydrogen excess flow value specification and developed a new policy centre which will help disseminate factual information to the public.

IGEM has co-authored a Report from five professional engineering institutions who were tasked by government to assess the engineering risks and uncertainties around using hydrogen in homes, businesses and industry as a future low carbon fuel. This was launched at the London Science and Media in June where the IGEM presented the report to the media.

IGEM contributed to the 2019 International Hydrogen Safety Conference which took place in the Adelaide Convention Centre in Australia where we took part in a Keynote address demonstrating leadership in developing hydrogen standards and a logical approach to manage safety for hydrogen applications, presenting alongside a number of prestigious international organisations such as ISO and US Department for Energy.

In 2019 IGEM appointed a Policy Officer to further support our goal of providing an influential and respected voice for industry. IGEM has co-authored and sponsored some significant policy reports including: the Policy Connect Future Gas Part-3 report examining downstream issues relating to the role of the consumer in decarbonising gas in the UK; the first joint publication by the National Engineering Policy Centre calling on the Government to work with the sector to invest in areas such as skills, innovation and clean energy technologies.

IGEM has also engaged directly with Government, through representation on All-Party Parliamentary Groups for both Hydrogen and Carbon Monoxide, as well as the Hydrogen Transformation Group – working directly with BEIS and industry stakeholders to develop informed decisions on the future of the gas grid. These collaborations help to establish IGEM as a key player in supporting 'Future Gas' policy development.

Launching in January 2020, IGEM has designed a policy and research website, providing a central resource for members and stakeholders to find out more about our policy and research work, upcoming policy events and access to a library of 'Future Gas' related publications.

IGEM delivered a programme of conferences, events and technical training courses during the year to engage members and non-members. Through our conferences and events, we have brought to the stage

# THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

## YEAR ENDED 31 DECEMBER 2019

### TRUSTEES' REPORT

#### Achievement and Performance (continued)

influential speakers from Government, the Committee on Climate Change, leading research institutes and industry bodies, to share their research findings and policy recommendations with our members and stakeholders. IGEM coordinated the first parliamentary launch of Gas Safety Week 2019 in Scotland, which was well attended by key stakeholders from Scottish Parliament, the gas industry, trade groups and local charities.

IGEM submitted a successful proposal to BEIS, to design and develop a digital Hydrogen Knowledge Centre – a centralised, independent repository of Hydrogen research publications, technical data and reference works that will support industry in developing their technical evidence base and establish IGEM as leading experts in hydrogen knowledge. This project will commence early in 2020.

Since our appointment as Authoriser for Recognition of training, IGEM have been working to develop strong governance processes and oversight of the training in the downstream sector leading to Gas Safe Registration and have undertaken numerous audits.

#### 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 2.6%, being £92,11, and produced an annual total return of 15.3% compared to a benchmark portfolio return of 15.9%. Total market value movement of -£421,507.

#### 2019 Financial Review

##### Funds Summary

	2019	2018
General Reserve	900,000	900,000
Development Fund	1,434,042	1,086,215
International Development Fund	-	75,287
Property Maintenance Reserve	150,000	150,000
Fixed Assets	1,263,416	1,286,039
GIUSP	29,500	33,500
History Fund	8,065	8,661
Scholarships & Medals	673,845	684,814
Gas Innovation Fund (formerly LNG)	559,366	483,282
Section Funds	146,661	146,302
	<u>5,164,895</u>	<u>4,854,100</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

# THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

## YEAR ENDED 31 DECEMBER 2019

### TRUSTEES' REPORT

#### Reserves (continued)

sustainable manner. In 2019, 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 £5,164,895. This is constituted of general, designated and restricted funds as detailed below.

Restricted	1,290,911
Designated	1,710,568
Fixed Assets	1,263,416
Free Reserves	<u>900,000</u>
	<u><u>5,164,895</u></u>

The expected time frame of expenditure of the designated and restricted funds will be in line with the external environment of industry 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.

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS  
YEAR ENDED 31 DECEMBER 2019**

**TRUSTEES' REPORT**

In 2020, 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 Committee 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 2020 and signed on its behalf.



**Antony Green**  
President

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

## **YEAR ENDED 31 DECEMBER 2019**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. 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.

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS  
YEAR ENDED 31 DECEMBER 2019**

**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 2019 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 December 2019 and of the Group's 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 Group and the Parent Charity in accordance with the ethical requirements 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 related to going concern**

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

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

**Other information**

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



**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS  
YEAR ENDED 31 DECEMBER 2019**

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 require us to report to you if, in our opinion;

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

**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 determines 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 Group's and the Parent 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 Group or the parent Charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

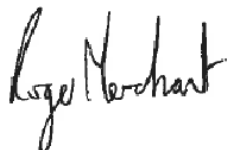
This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS  
YEAR ENDED 31 DECEMBER 2019**

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

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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

A handwritten signature in black ink, appearing to read 'Roger Merchant', written in a cursive style.

**Roger Merchant (Senior Statutory Auditor)  
For and on behalf of UHY Hacker Young LLP**

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 31 DECEMBER 2019**

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
<b>Incoming Resources</b>						
Income from Donations		-	-	135	<b>135</b>	120
Sections		-	-	2,000	<b>2,000</b>	2,000
		-	-	2,135	<b>2,135</b>	2,120
Charitable Activities	<b>2</b>	1,887,914	70,405	2,284	<b>1,960,603</b>	1,707,537
Rent Receivable		84,563	-	-	<b>84,563</b>	69,769
Investment Income	<b>3</b>	60,320	835	33,285	<b>94,440</b>	87,117
<b>Total Incoming Resources</b>		<b>2,032,797</b>	<b>71,240</b>	<b>37,704</b>	<b>2,141,741</b>	<b>1,866,543</b>
<b>Resources Expended</b>						
Raising Funds						
Investment Mgr Fees		11,168	-	6,253	<b>17,421</b>	17,273
Trading Expenditure		23,899	-	-	<b>23,899</b>	21,507
		35,067	-	6,253	<b>41,320</b>	38,780
Charitable Activities	<b>4</b>	2,021,930	68,612	122,576	<b>2,213,118</b>	1,939,638
<b>Total Resources Expended</b>		<b>2,056,997</b>	<b>68,612</b>	<b>128,829</b>	<b>2,254,438</b>	<b>1,978,418</b>
Net gains/(losses) on Investments	<b>8</b>	269,723	1,985	151,784	<b>423,492</b>	(247,918)
<b>Net Income/(Expenditure)</b>		<b>245,523</b>	<b>4,613</b>	<b>60,659</b>	<b>310,795</b>	<b>(359,793)</b>
Transfer between Funds	<b>21</b>	(268,146)	268,146	-	-	-
<b>Net Movement in Funds</b>		<b>(22,623)</b>	<b>272,759</b>	<b>60,659</b>	<b>310,795</b>	<b>(359,793)</b>
Total Funds Brought Forward		2,186,039	1,437,809	1,230,252	<b>4,854,100</b>	5,213,893
Total Funds Carried Forward	<b>17</b>	<b>2,163,416</b>	<b>1,710,568</b>	<b>1,290,911</b>	<b>5,164,895</b>	<b>4,854,100</b>

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 22 to 38 form part of these accounts

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible	9	1,263,416	1,286,039
Investments	10	<u>3,601,896</u>	<u>3,300,288</u>
		<b>4,865,312</b>	4,586,327
<b>CURRENT ASSETS</b>			
Debtors	11	417,095	362,175
Short term investments	13	485,272	371,720
Cash at Bank and in hand	12	152,946	137,061
		<u>1,055,313</u>	<u>870,956</u>
<b>CREDITORS:</b> amounts falling due within one year	14	<u>(755,730)</u>	<u>(603,183)</u>
<b>NET CURRENT ASSETS</b>		<b>299,583</b>	267,773
<b>NET ASSETS</b>		<u><b>5,164,895</b></u>	<u>4,854,100</u>
<b>FUNDS</b>			
Unrestricted	17	2,163,416	2,186,039
Restricted	17	1,290,911	1,230,252
Designated	17	1,710,568	1,437,809
		<u><b>5,164,895</b></u>	<u>4,854,100</u>

The financial statements were approved and authorised for issue by the Council and were signed on its behalf on 25<sup>th</sup> March 2020




**Antony Green**  
President

The notes on pages 22 to 38 form part of these accounts

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS**  
**CHARITY BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible	9	1,263,416	1,286,039
Investments	10	<u>3,602,896</u>	<u>3,301,288</u>
		4,866,312	4,587,327
<b>CURRENT ASSETS</b>			
Debtors	11	425,442	358,067
Short term investments	13	485,272	371,720
Cash at Bank and in hand	12	99,843	91,714
		<u>1,010,557</u>	<u>821,501</u>
<b>CREDITORS:</b> amounts falling due within one year	14	<u>(752,290)</u>	<u>(596,429)</u>
<b>NET CURRENT ASSETS</b>		258,267	225,072
<b>NET ASSETS</b>		<u>5,124,579</u>	<u>4,812,399</u>
<b>FUNDS</b>			
Unrestricted		2,163,416	2,186,039
Restricted		1,262,712	1,201,596
Designated		1,698,451	1,424,764
		<u>5,124,579</u>	<u>4,812,399</u>

The financial statements were approved and authorised for issue by the Council and were signed on its behalf on 25<sup>th</sup> March 2020



**Antony Green**  
President

The notes on pages 22 to 38 form part of these accounts

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 DECEMBER 2019**

	2019	2018
	£	£
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net cash provided by operating activities (note 20)	<b>(60,164)</b>	(22,123)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends, interest and rents from investments	94,440	87,117
Purchase of property, plant and equipment	(9,302)	(6,649)
Purchase of investments	(15,564)	(12,714)
Proceeds from sale of investments	120,027	-
Net cash provided by investing activities	<b>189,601</b>	67,754
<b>Increase in cash and cash equivalents in the year</b>	<b>129,437</b>	45,631
Cash and cash equivalents at 1 January	508,781	481,404
Reclassification of cash and cash equivalents to investments	-	(18,254)
Revised cash and cash equivalents at 1 January	508,781	463,150
<b>Cash and cash equivalents at 31 December</b>	<b>638,218</b>	508,781
<b>Relating to:</b>		
Cash at Bank and in hand	152,946	137,061
Short term investments	<b>485,272</b>	371,720

The notes on pages 22 to 38 form part of these accounts

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2019**

**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 Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and 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 Institute'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 of paragraph 397 of the SORP.

**(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 2019**

**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) 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.



**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2019**

**1 ACCOUNTING POLICIES (continued)**

**(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 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) 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 2019**

**2 CHARITABLE ACTIVITIES**

Activities in the furtherance of the charity's objectives.

	Unrestricted	Designated	Restricted	Total 2019	Total 2018
	£	£	£	£	£
<b>General Funds:</b>					
Membership services and subscriptions	747,202	-	-	747,202	723,712
Technical services	788,466	-	-	788,466	613,440
Conferences and marketing	292,044	-	400	292,444	234,582
Journal	60,202	-	-	60,202	61,695
History Fund	-	-	1,884	1,884	2,552
Section income	-	69,321	-	69,321	64,123
Scottish section income	-	1,084	-	1,084	7,433
	<b>1,887,914</b>	<b>70,405</b>	<b>2,284</b>	<b>1,960,603</b>	<b>1,707,537</b>

In 2018, of total income from charitable activities, £1,633,229 was to unrestricted funds, £71,556 was to designated funds and £2,752 was to restricted funds.

**3 INVESTMENTS**

	Unrestricted	Designated	Restricted	Total 2019	Total 2018
	£	£	£	£	£
Bank interest received	1,356	-	138	1,494	772
Dividends received	58,964	835	33,147	92,946	86,345
	<b>60,320</b>	<b>835</b>	<b>33,285</b>	<b>94,440</b>	<b>87,117</b>

In 2018, of total income from investments, £55,149 was to unrestricted funds, £800 was to designated funds and £31,168 was to restricted funds.

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2019**

**4 CHARITABLE EXPENDITURE**

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

	Direct Staff costs £	Other costs £	Support and governance costs £	Total 2019 £	Total 2018 £
<b>General Funds:</b>					
Membership services	171,382	56,768	151,370	379,520	392,502
Technical services	218,035	343,355	159,730	721,120	511,418
Conferences and marketing	212,719	181,981	59,244	453,944	401,897
Journal	38,523	150,971	12,196	201,690	198,417
Establishment	101,080	111,468	-	212,548	203,449
Facilities & conference provision	32,780	6,285	14,043	53,108	45,822
	<b>774,519</b>	<b>850,828</b>	<b>396,583</b>	<b>2,021,930</b>	<b>1,753,505</b>
<b>Designated Funds:</b>					
Section expenditure	-	72,612	-	72,612	85,440
Development	-	(4,000)	-	(4,000)	6,664
International development	-	-	-	-	3,481
	-	<b>68,612</b>	-	<b>68,612</b>	<b>95,585</b>
<b>Restricted Funds:</b>					
GIUSP	-	4,000	-	4,000	4,000
History Fund Awards	-	4,615	-	4,615	2,561
Scholarship & medals	-	113,961	-	113,961	83,987
	-	<b>122,576</b>	-	<b>122,576</b>	<b>90,548</b>
	<b>774,519</b>	<b>1,042,016</b>	<b>396,583</b>	<b>2,213,118</b>	<b>1,939,638</b>

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2019**

**5 SUPPORT AND GOVERNANCE COSTS**

	Staff costs £	Other costs £	Total 2019 £	Total 2018 £
<b>General Support Costs:</b>				
Central support	186,525	-	186,525	168,577
Legal and professional fees	-	1,035	1,035	6,164
Council meeting and staff expenses	-	42,996	42,996	45,547
Bank and credit card charges	-	17,139	17,139	18,017
Recruitment expenses	-	1,955	1,955	2,432
Sundry expenses	-	270	270	270
Staff training	-	10,270	10,270	7,169
Postage and telephone	-	23,778	23,778	25,169
Printing and stationery	-	8,962	8,962	11,397
Computer expenses	-	65,093	65,093	46,026
Subscriptions and other costs	-	5,174	5,174	3,394
Irrecoverable VAT	-	10,282	10,282	9,772
<b>Governance Costs:</b>				
Audit and accountancy	-	9,330	9,330	8,892
Council and trustees expenses	-	13,774	13,774	16,068
	<b>186,525</b>	<b>210,058</b>	<b>396,583</b>	<b>368,894</b>

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:

	2019 £	2018 £
Depreciation of tangible fixed assets:		
- Owned by the group	31,925	33,143
Operating lease rentals	6,276	3,936
Audit and accountancy charges:		
- Statutory audit	8,830	8,392
- Accountancy and other services	500	500

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2019**

**7 STAFF COSTS**

The average monthly number of employees during the year was:

	<b>2019</b>	2018
	<b>No.</b>	No.
Office and management	<b>25</b>	24

	<b>2019</b>	2018
	<b>£</b>	£
<b>Staff costs:</b>		
Salaries	<b>797,790</b>	750,085
National insurance contributions	<b>78,208</b>	71,917
Pension contributions	<b>85,046</b>	72,039
	<b>961,044</b>	894,040

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

	<b>2019</b>	2018
	<b>No.</b>	No.
£60,000 to £70,000	1	1
£70,000 to £80,000	1	1
£80,000 to £90,000	-	-
£90,000 to £100,000	1	-

The pension contributions made to the highest paid employee were £nil (2018: £nil).

The Trustee members of the Council received no remuneration during the year but travel expenses of £13,774 were reimbursed to 12 Council members (2018: £16,068 to 10 members).

The Institution considers its key management personnel comprise the trustees, the Chief Executive Officer and the senior management team. The total employment benefits including employer pension contributions of the six (2018: six) key management personnel were £362,356 (2018: £337,610).

**8 NET GAINS/(LOSSES) ON INVESTMENT ASSETS**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Designated</b>	<b>Total</b>	Total
	<b>funds</b>	<b>funds</b>	<b>funds</b>	<b>2019</b>	2018
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Gains on disposals	-	5,311	-	<b>5,311</b>	-
Net unrealised gains/(losses) on revaluation to market value	269,723	146,473	1,985	<b>418,181</b>	(247,918)
	<b>269,723</b>	<b>151,784</b>	<b>1,985</b>	<b>423,492</b>	<b>(247,918)</b>

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2019**

**9 TANGIBLE FIXED ASSETS**

**Group and Institution**

	<b>Land and Buildings</b>	<b>Fixtures &amp; Fittings and Computer Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 January 2019	1,516,932	235,912	<b>1,752,844</b>
Additions	9,302	-	<b>9,302</b>
At 31 December 2019	<b>1,526,234</b>	<b>235,912</b>	<b>1,762,146</b>
<b>Depreciation</b>			
At 1 January 2019	240,830	225,975	<b>466,805</b>
Charge for the year	24,525	7,400	<b>31,925</b>
At 31 December 2019	<b>265,355</b>	<b>233,375</b>	<b>498,730</b>
<b>Net book amount</b>			
As at 31 December 2019	<b>1,260,879</b>	<b>2,537</b>	<b>1,263,416</b>
As at 31 December 2018	1,276,102	9,937	1,286,039

Land and Buildings include land valued at £300,000 and 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 £244,462 (2018: £239,842). While the collection of library books with an insurance value of £53,045 (2018: £50,000).

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2019**

**10 INVESTMENTS**

**Group**  
**Quoted Investments**

	Unrestricted £	Restricted £	Total 2019 £	Total 2018 £
Market value at 1 January 2019	2,102,448	1,197,840	3,300,288	3,552,825
Additions	657	14,907	15,564	12,714
Disposals	-	(114,716)	(114,716)	-
Management fees paid	(11,168)	(6,253)	(17,421)	(17,333)
Revaluation to market value	271,708	146,473	418,181	(247,918)
	<b>2,363,645</b>	<b>1,238,251</b>	<b>3,601,896</b>	3,300,288
Historical cost at 31 December 2019	<b>2,197,088</b>	<b>1,150,399</b>	<b>3,347,487</b>	3,446,639
The investments are all held in the:				
Rathbones Core Investment Fund for Charities	<b>2,346,801</b>	<b>1,238,251</b>	<b>3,585,052</b>	3,285,430
M&G Investments	<b>16,844</b>	-	<b>16,844</b>	14,858
	<b>2,363,645</b>	<b>1,238,251</b>	<b>3,601,896</b>	3,300,288

**Institution**

	Unrestricted £	Restricted £	Total 2019 £	Total 2018 £
Quoted investments (as above)	2,363,645	1,238,251	<b>3,601,896</b>	3,300,288
IGEM House Ltd	1,000	-	<b>1,000</b>	1,000
Market value at 31 December 2019	<b>2,364,645</b>	<b>1,238,251</b>	<b>3,602,896</b>	3,301,288

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

Rathbones Core Investment Fund for Charities                      -                      99.5%

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

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

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 there 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**

	<b>Group</b>		<b>Institution</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Due within one year:</b>				
Trade debtors	<b>289,989</b>	164,671	<b>276,860</b>	141,039
Amounts due from group undertakings	-	-	<b>22,166</b>	19,524
Prepayments and accrued income	<b>127,106</b>	197,504	<b>126,416</b>	197,504
	<b>417,095</b>	362,175	<b>425,442</b>	358,067

**12 CASH AT BANK AND IN HAND**

	<b>Group</b>		<b>Institution</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted	<b>96,302</b>	68,303	<b>83,855</b>	65,495
Designated (Sections)	<b>28,102</b>	38,911	<b>15,988</b>	26,219
Restricted	<b>28,542</b>	29,847	-	-
	<b>152,946</b>	137,061	<b>99,843</b>	91,714



**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS**  
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**13 SHORT TERM INVESTMENTS**

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

	Institution and Group			Total 2018 £
	Unrestricted £	Restricted £	Total 2019 £	
Income and Capital Account	106	166	272	1,720
Money market account	485,000	-	485,000	370,000
	<b>485,106</b>	<b>166</b>	<b>485,272</b>	<b>371,720</b>

**14 CREDITORS**

	Group		Institution	
	2019 £	2018 £	2019 £	2018 £
<b>Amounts falling due within one year:</b>				
Trade creditors	71,602	85,446	71,390	84,736
Other tax and social security	71,390	51,217	69,312	47,094
Other creditors	12,141	26,400	12,141	26,750
Accruals and deferred income	600,597	440,120	599,447	437,848
	<b>755,730</b>	<b>603,183</b>	<b>752,290</b>	<b>596,429</b>

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS**  
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**15 DEFERRED INCOME**

**Group and Institution**

**Movements in deferred income**

	<b>£</b>
Balance as at 1 January 2019	<b>311,155</b>
Released during the year	<b>(302,725)</b>
Deferred during the year	<b>309,693</b>
	<b>318,123</b>
Balance as at 31 December 2019	<b>318,123</b>

**Deferred income is made up of:**

	<b>2019</b>	2018
	<b>£</b>	<b>£</b>
Membership income received in advance	<b>288,569</b>	277,481
Event income received in advance	<b>8,190</b>	12,500
Journal income received in advance	<b>3,640</b>	10,636
Technical income received in advance	<b>17,381</b>	9,366
History Fund income received in advance	<b>343</b>	1,172
	<b>318,123</b>	311,155

Membership income received in advance relates to subscriptions received in relation to the year to December 2020 received in the year. Other income received in advance relates to journal advertising income and History Fund income in relation to the year to December 2020 received in the year.

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS**  
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**16 FUNDS**

**Restricted**

1. Scholarship, Medals, Prized and Lectureship Fund  
This restricted fund has various scholarship, medal, lectureship and prize funds 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 11<sup>th</sup> 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.

**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 represents the net book value of fixed asset acquired and funded from the Charity's unrestricted funds.

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS**  
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**17 MOVEMENT OF FUNDS**

	Balance at 1 January 2019 £	Income £	Expenditure £	Investment movement £	Transfers £	Balance at 31 December 2019 £
<b>Unrestricted Funds</b>						
<b>Group &amp; Institution</b>						
General	900,000	2,032,797	(2,034,374)	269,723	(268,146)	900,000
Property & assets	1,286,039	-	(22,623)	-	-	1,263,416
	<b>2,186,039</b>	<b>2,032,797</b>	<b>(2,056,997)</b>	<b>269,723</b>	<b>(268,146)</b>	<b>2,163,416</b>
<b>Restricted Funds</b>						
<b>Institution</b>						
Scholarship and Medals Fund	684,813	19,458	(117,536)	87,110	-	673,845
Gas Innovation Fund	483,282	14,089	(2,678)	64,674	-	559,366
GIUSP	33,500	-	(4,000)	-	-	29,500
<b>Group (including above)</b>						
Scotland section	19,996	138	-	-	-	20,134
History Fund	8,661	4,019	(4,615)	-	-	8,065
	<b>1,230,252</b>	<b>37,704</b>	<b>(128,829)</b>	<b>151,784</b>	<b>-</b>	<b>1,290,911</b>
<b>Designated Funds</b>						
<b>Institution</b>						
Development	1,086,219	-	4,000	-	343,823	1,434,042
International development	75,287	-	-	-	(75,287)	-
Property Maintenance Reserve	150,000	-	-	-	-	150,000
Sections:						
Northeast and Yorkshire	9,672	12,981	(11,710)	-	(400)	10,543
Welsh	19,963	10,371	(12,070)	1,985	-	20,247
Midlands	24,872	-	(1,706)	-	-	23,167
North West	17,601	7,719	(6,953)	-	(390)	17,977
Far East	4,725	19,144	(12,877)	-	-	10,995
London, Southern & Eastern	12,362	3,272	(3,315)	-	-	12,319
South West	1,427	12,469	(8,464)	-	-	5,433
Irish	4,270	-	(100)	-	-	4,170
Industrial Affiliates	12,233	200	(5,280)	-	-	7,153
Young Persons Network	6,135	4,000	(7,725)	-	-	2,410
<b>Group (including above)</b>						
Scotland	13,043	1,084	(2,412)	-	400	12,112
	<b>1,437,809</b>	<b>71,240</b>	<b>(68,612)</b>	<b>1,985</b>	<b>268,146</b>	<b>1,710,568</b>
	<b>4,854,100</b>	<b>2,143,876</b>	<b>(2,254,438)</b>	<b>423,492</b>	<b>-</b>	<b>5,164,895</b>

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**17 MOVEMENT OF FUNDS (continued)**

	Balance at 1 January 2018 £	Income £	Expenditure £	Investment movement £	Transfers £	Balance at 31 December 2018 £
<b>Unrestricted Funds</b>						
<b>Group &amp; Institution</b>						
General	900,000	1,758,147	(1,759,495)	(155,399)	156,747	900,000
Property & assets	1,312,533	-	(26,494)	-	-	1,286,039
	<u>2,212,533</u>	<u>1,758,147</u>	<u>(1,785,989)</u>	<u>(155,399)</u>	<u>156,747</u>	<u>2,186,039</u>
<b>Restricted Funds</b>						
<b>Institution</b>						
Scholarship and Medals Fund	806,280	18,546	(87,702)	(52,311)	-	684,813
Gas Innovation Fund	509,946	12,699	(2,581)	(36,782)	-	483,282
GIUSP	37,500	-	(4,000)	-	-	33,500
<b>Group (including above)</b>						
Scotland Section	19,873	123	-	-	-	19,996
History Fund	8,550	2,672	(2,561)	-	-	8,661
	<u>1,382,149</u>	<u>34,040</u>	<u>(96,844)</u>	<u>(89,093)</u>	<u>-</u>	<u>1,230,252</u>
<b>Designated Funds</b>						
<b>Institution</b>						
Development	1,247,740	-	(6,664)	-	(154,857)	1,086,219
International development	78,769	-	(3,482)	-	-	75,287
Property Maintenance Reserve	150,000	-	-	-	-	150,000
Sections:						
Northeast and Yorkshire	15,130	11,644	(16,752)	-	(350)	9,672
Welsh	22,406	12,419	(10,812)	(3,425)	(625)	19,963
Midlands	26,976	1,408	(3,512)	-	-	24,872
North West	15,538	8,408	(6,405)	-	60	17,601
Far East	8,850	14,011	(18,136)	-	-	4,725
London, Southern & Eastern	11,497	7,377	(6,512)	-	-	12,362
South West	6,043	9,636	(13,627)	-	(625)	1,427
Irish	4,270	-	-	-	-	4,270
Industrial Affiliates	12,233	-	-	-	-	12,233
Young Persons Network	8,821	2,020	(4,706)	-	-	6,135
<b>Group (including above)</b>						
Scotland	10,938	7,433	(4,978)	-	(350)	13,043
	<u>1,619,211</u>	<u>74,356</u>	<u>(95,586)</u>	<u>(3,425)</u>	<u>(156,747)</u>	<u>1,437,809</u>
	<u>5,213,893</u>	<u>1,866,543</u>	<u>(1,978,419)</u>	<u>(247,917)</u>	<u>-</u>	<u>4,854,100</u>

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**18 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted/ designated funds £	Restricted funds £	Total 2019 £
<b>Fund balances at 31 December 2019 are represented by:</b>			
Tangible fixed assets	1,263,416	-	1,263,416
Investments	2,363,646	1,238,250	3,601,896
Cash	609,510	28,708	638,218
Net current (liabilities)/assets	(362,588)	23,953	(338,635)
<b>Total net assets</b>	<b>3,873,984</b>	<b>1,290,911</b>	<b>5,164,895</b>
<hr/>			
	Unrestricted/ designated funds £	Restricted funds £	Total 2018 £
<b>Fund balances at 31 December 2018 are represented by:</b>			
Tangible fixed assets	1,286,039	-	1,286,039
Investments	2,102,448	1,197,840	3,300,288
Cash	447,977	30,804	508,781
Net current (liabilities)/assets	(242,616)	1,608	(241,008)
<b>Total net assets</b>	<b>3,623,848</b>	<b>1,230,252</b>	<b>4,854,100</b>

**19 COMMITMENTS UNDER OPERATING LEASES**

As at 31 December 2019 the Group and Institution had commitments under operating leases as follows:

	2019 £	Other 2018 £
<b>Group and Institution</b>		
Within one year	6,276	3,936
Between two and five years	10,177	4,019
	<b>16,453</b>	<b>7,955</b>

**20 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2019 £	2018 £
<b>Net income/(expenditure) for the reporting period</b>	<b>310,795</b>	<b>(359,793)</b>
<b>Adjustments for:</b>		
Depreciation charges	31,925	33,143
Gain on disposal of investments	(5,311)	-
(Gains)/losses on investments	(418,181)	247,917
Management fees paid on investments	17,421	17,333
Dividends, interest and rents from investments	(94,440)	(87,117)
Increase in debtors	(54,920)	(78,890)
Increase in creditors	152,547	205,284
<b>Net cash provided by operating activities</b>	<b>(60,164)</b>	<b>(22,123)</b>

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**21 TRANSFER BETWEEN FUNDS**

A transfer of £268,146 was made from the General Reserve (Unrestricted Fund) to the Development Fund (Designated Fund) in consideration of the Reserves Policy to maintain the General Reserve at up to six months of expenditure.

A transfer of £75,287 was made from the International Development Fund (Designated Fund) to the Development Fund (Designated Fund) as the International Designation is now removed.

A transfer of £400 was made from the North East and Yorkshire Section Funds (Designated Fund) to the Scottish Section Fund (Designated Fund) to support the Burns Night event.

A transfer of £420 was made from the Section Funds (Designated Fund) to the General Reserve (Unrestricted Fund) to support the Industry Awards event.

A transfer of £30 was made to the Section Funds (Designated Fund) from the General Reserve (Unrestricted Fund) to support an event.

**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 – company number 03093169 – incorporated in England and Wales  
 Institution of Gas Engineers (Scottish Section) Benevolent and Education Fund - charity number 006601 – incorporated in Scotland

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

**24 Financial Instruments**

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

	<b>2019</b>	2018
	£	£
<b>Financial assets</b>		
Financial assets measured at amortised cost	<b>928,207</b>	673,452
	<hr/>	<hr/>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b>684,340</b>	551,966
	<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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**Institution of Gas Engineers and Managers**

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

Registered Charity - 214011

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