

# Annual Report and Accounts 2020

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## President's Foreword

It will not come as a surprise to read that 2020 was a year like no other for the Institution. We began with an ambitious programme in line with a long-term strategy agreed by the Trustees. This set a bold path for ICE's continued ability to deliver a high-quality knowledge programme, high-level and influential policy work, consistently improving membership services, and a clear-eyed view of our role in helping to achieve the UN Sustainable Development Goals. Then in early 2020 the world changed as the tragedy of the Covid-19 pandemic took hold.

I am proud to say that the ICE moved with incredible speed to adapt to the rapidly, and constantly, changing situation. Contingency plans were developed in February, drawing on the experiences of our staff and members in South East Asia (and Hong Kong in particular). Therefore, the lockdown in March in UK (where most of our staff are based) saw minimal disruption to services as staff migrated to remote working within 48 hours. We stopped face-to-face events, and within weeks we were able to conduct our Spring Professional Reviews digitally, introduce an ongoing series of online Global Strategy Sessions and Prestige Lectures, and migrated the broader knowledge programme so that it could be delivered completely digitally. The results speak for themselves. The Review programme continued unabated and we met all of our pre-pandemic targets for professional qualification. Our Global Strategy lectures attracted global audiences in the low thousands: a level of knowledge exchange we have never before achieved. And those audiences continued, and continue, to interact across their professional disciplines.



In November we held the President's Address, the first digital only address in the Institution's history, and which attracted a global audience of thousands. Since November a further 6,000 people and counting have chosen to view the address and the *Shaping Zero* film.

The year required precise, professional, and constant executive management. Performance forecasts were reforecast repeatedly. The Institution relies heavily on the performance of its trading subsidiary, Thomas Telford Limited ("TTL"), to fund member services and TTL found itself managing the effects of the lockdowns on its internationally renowned events business. Painful decisions were taken on staffing across the Institution. Resources were carefully husbanded, and savings made across the back office. Our priority remained the delivery of our charitable objects. I am pleased to report that those efforts have paid off and the Institution is now in a robust financial position as we continue through what we expect to be further periods of economic uncertainty.

This neatly brings me to the future of the ICE. Despite the manifest difficulties of the pandemic, we have built a comprehensive programme of activities and work streams designed to safeguard the future of populations around the world. Core to these is to help our profession achieve Carbon Net Zero and mitigate climate change. These efforts will cement ICE's place as one of the world's leading professional institutions.

Finally, I would like to particularly thank my predecessor, Paul Sheffield, who represented the Institution with calm professionalism and provided strong leadership throughout one of the most challenging years imaginable for a president. I would also like to thank both the Trustee Board and Council for their work throughout the year.

When a global crisis takes hold it is easy to lose sight of those touchstones and way markers that show us things will improve in time and that there is always light at the end of the tunnel. I am fortunate enough to count the longevity and presence of the Institution as one of the touchstones. We are more than simply a professional body, we are a group of passionate, like minded and talented engineers who are committed to making the world a better place. We emerged from 2020 more sure of that than anything else. All of us, as members of ICE, should be proud of that fact and proud of ourselves.

A handwritten signature in black ink that reads "Rachel Skinner". The signature is fluid and cursive, with the first name "Rachel" and the last name "Skinner" clearly distinguishable.

**Rachel Skinner**  
**ICE President 2020-2021**

## Reference and administrative details

### Trustees

<i>President</i>	Rachel Skinner
<i>Senior Vice President</i>	Edward McCann
<i>Vice Presidents</i>	Keith Howells
	Emer Murnaghan OBE
	Anusha Shah *
	Richard Threlfall
<i>Other</i>	Andrew Alder *
	John Beck
	Gary Cutts *
	James Hall *
	Dr Sabih Khisaf *
	Liz Waugh

\* Appointed November 2020

The following served as Trustees until their retirement in November 2020:

<i>Past President</i>	Paul Sheffield CBE
<i>Vice Presidents</i>	Mak Chai-Kwong
	Dr Jane Smallman
<i>Other</i>	Karen Britton
	Emma Kent

### Management team

<i>Director General and Secretary</i>	Nick Baveystock
<i>Deputy Director General and Managing Director Thomas Telford Limited</i>	Chris Gibson
<i>Director Membership</i>	Seán Harris
<i>Director of Engineering Knowledge</i>	Mark Hansford
<i>Group Finance Director</i>	Susan Bailey
<i>Director Group Support Services</i>	David Tullett
<i>Communications Director</i>	Simon Creer
<i>Director of Policy</i>	Chris Richards

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**Charity registered in Scotland number** SC038629

# Trustees' Report

## Objectives and activities

### Background and Mission

The Institution of Civil Engineers ("the Institution", "the ICE", or "the Charity") is a registered charity and is incorporated by Royal Charter. The Institution's overriding object is to foster and promote the art and science of Civil Engineering.

The ICE aims to support the profession by offering professional qualification, promoting education, maintaining professional ethics, and liaising with industry, academia and government.

The Institution provides professional advice in transport, water supply and treatment, flood management, waste and energy. Established in 1818 the ICE has over 92,000 members, with over a quarter living outside the United Kingdom. The ICE has long provided independent professional advice to politicians operating in local, regional, and national government and to their supporting government departments. We provide impartial, authoritative and respected advice as part of our charitable purpose. We work with all parts of the profession to ensure that civil engineering remains a major contributor to economic and social wellbeing.

### Vision, Strategy and Business Planning

The Institution's Trustees reviewed the ICE's vision during 2018 and they reaffirmed the vision in 2019: "the ICE will transform lives by helping build a sustainable world". The Trustees believe that the most effective way for the Institution to deliver this is by:

- Building a network of highly trained and competent civil engineers in which society has confidence to deliver the infrastructure people need to live their lives. We do this by providing an internationally recognised set of qualifications by which our members can demonstrate their competence.
- Ensuring that infrastructure professionals have access to the very best insight, knowledge and professional development so that society can trust the opinion and expertise of our members. We deliver this through a range of programmes, events, education and training projects, and publications.
- The Trustees believe that the Institution has a core responsibility to shape the sustainable development of our world and, in so doing, to take a long-term perspective. They believe that supporting decision makers in reaching informed decisions to enable the most effective procurement, construction, operation, maintenance and ultimate disposal of infrastructure is a core part of that responsibility.

The Trustees, advised by the ICE Council, carried out an in-depth review of strategy in February 2020 which, after discussion with the ICE Council, culminated in the latest Business Plan covering the period 2021-2023. The tenets of the strategy stood the institution in exceptionally good stead as it reacted to the ever-changing situation throughout the year. It enabled a ruthless focus on those things which are absolutely at the heart of the Institution, and a framework against which to make some painful decisions.

### Public benefit

ICE is a charitable body and exists to deliver benefits to the public. The benefits arising from the Institution's activity are widespread.

- The general public benefits from safe and well-designed infrastructure which is delivered through the expertise of ICE members. This expertise is in turn developed and recognised through our membership qualification process. The general public also benefits from the generation and dissemination of knowledge, educating the public and ensuring best practice is available to members.
- Government in the UK (national, devolved and local) benefits from our expert evidence to public consultations and from our published policy reports. Both public and private sector employers, and through them the wider economy, benefit commercially from employing Institution members who have a globally recognised professional engineering qualification.
- Young people can realise their potential from our efforts to raise interest in science, maths and technology in schools and colleges and to encourage and support the young civil engineers of tomorrow.
- Finally, ICE members benefit (i) from having a highly respected qualification that is recognised around the world, and from on-going career support from the Institution, (ii) through the extensive knowledge programmes, publishing activity comprising peer-reviewed technical journals, books, access to ICE's historic library and archive, and much other professional development material, and (iii) through a professional network that makes them more valuable both to society and to their employers. The Institution has made significant strides to ensure that these services are now delivered digitally.

Many of the infrastructure activities in which our members are engaged involve, of necessity, the evaluation of public good against the risk, cost or other impact of alternative options. The Institution, through its activities promotes best practice and the rigorous assessment of sustainability and health and safety considerations. These activities all seek to reduce any detriment involved in activities managed or designed by our members. The Institution's own activities as a professional body are not considered to generate any detriment or harm.

### Charity Commission Guidance

The Trustee Board confirms it has complied with the duty outlined in Part 2 of the Charities Act 2011 to have regard to guidance on public benefit published by the Charity Commission when exercising any powers or duties to which the guidance is relevant.

### Membership

The Institution as a membership organisation has members rather than beneficiaries. Members' annual subscriptions form a significant part of our income, which is used to fund activities for public benefit. Members themselves receive benefits through the dissemination of knowledge and best practice, and from the esteem and recognition resulting from their membership of a profession with high standards both of entry and for continuing membership. However, without its members the Institution could not continue to pursue its charitable purpose. Membership is open to anyone who can meet our professional standards.

Financial barriers to entry are relatively small. Student membership is free, and, through the Queen's Jubilee Scholarship Trust ("QUEST") and Into Civil Engineering restricted funds, bursaries are available to attract able candidates at graduate entry level and also for aspiring technicians. For existing members, a concessionary rate is available for those who are unemployed, taking a career break, on low income or retired. The Institution also refers members to its Benevolent Fund, a separate charity for supporting members and their families in need. The fund can, when appropriate, ensure all membership fees are paid for beneficiaries.

### Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes".

ICE's fundraising activities focus on generating income to support civil engineering scholarships through the QUEST fund, and research grants through the Research and Development Enabling fund. All solicitations are managed internally, without involvement of commercial participators, professional fund-raisers, or third parties. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the Trustee Board.

Fundraising income is presented in our accounts within income from donations and legacies and includes grants.

ICE is aware of the UK Fundraising Regulator's guidance and is confident in its ability to comply. No complaints have been received in the year.

### Grant making policy

The Institution does not generally make grants from its unrestricted funds. Grants are generally made to individuals in the form of scholarships or awards from the QUEST, Into Civil Engineering, and Trust funds. All grants are made in accordance with the objectives and restrictions of the relevant fund.

The Research and Development Enabling Fund is administered by the Research, Development and Innovation towards Engineering Excellence Panel. Grants from this fund are made to support research in civil engineering and are given to recipients in both industry and academia.

## Achievements and performance

Despite the obvious and enduring challenges faced by the Institution throughout the year, whether in Hong Kong at the beginning of 2020, or globally from February, the Institution achieved almost all of the targets set out in last year's Annual Report. TTL had a difficult year as national lockdowns opened and closed. The events business in particular suffered extensively from the UK lockdowns. But, while the TTL profit was less than had been planned, this shortfall was offset by savings made across the ICE Group in ceasing face-to-face activities and almost all travel.

Additionally, the Institution undertook a restructuring to ensure it was best placed to deliver its charitable objects on the face of prolonged global economic uncertainty. Regretfully, we chose to reduce staff across the Group. The International Department was subsumed into the core elements of the Membership Division. Some English Regions were merged, and functions were streamlined. Budgets and performance were reforecast repeatedly, and trustee and executive oversight was more frequent, and more precise than in what might be termed a normal year.

We have taken some painful decisions throughout the year, but the Institution finishes the year in a robust financial position. Importantly, in restructuring, we have ensured that our cost base has been reduced on a permanent basis which puts us in a strong position to go forward.

## Staff welfare and engagement

As the Covid-19 situation developed we moved quickly to ensure all staff with roles able to be performed from home could do so. Whilst many of our existing IT resources are cloud based and all systems are capable of being securely accessed remotely, we introduced some additional software to help facilitate the change. Microsoft Teams was rolled out across the Group to ensure that business meetings could continue and colleagues could stay in touch with each other. Support was also provided for staff to ensure their health and safety during periods working from home. Display Screen Equipment reviews were offered to all staff and essential ergonomic equipment provided as required.

Webinars developed by the ICE Benevolent Fund on how to cope during periods of lockdown and steps individuals could take to maintain mental wellbeing, as well as navigate the financial and emotional impact of the pandemic, were made available to all ICE staff members. A number of support videos were also provided to staff ranging in subjects from sleep to mindfulness to maintaining physical health.

Over the course of the pandemic guidance was issued to staff with caring commitments, supporting changes to working patterns and practices as far as possible to accommodate, for example, closures to schools and early years care providers. When guidance allowed, Covid-secure workstations were made available to staff at One Great George Street, enabling those that needed to work from a central office the ability and opportunity to do so. All resources made available to staff have been collated on a Covid-19 support portal accessed through the staff intranet. These measures augmented the ongoing support offered by the existing employee assistance programme run by a third-party provider that continued throughout the pandemic.

## Membership and qualification

Overall membership numbers fell by 2.40%, reflecting a decrease in Student membership numbers due to the ongoing pandemic and an inability of our staff to access campuses. However, the qualified membership (excluding resignations from retirees) grew despite the overall decrease in membership, and it was notable that the number of female members grew by 1.36% to 13,950 (2019: 13,763) and now represents 15% of total membership (2019: 14.5%). Geographically, membership numbers remained stable despite a decline of 3.42% in Asia Pacific.

	2020	2019	2018	2017	2016
<b>Membership by location</b>					
United Kingdom	68,561	70,041	69,620	68,518	67,626
Europe (excluding UK)	2,080	2,004	1,940	1,922	2,048
Americas	1,404	1,449	1,404	1,400	1,431
Middle East & Africa	3,185	3,395	3,233	3,113	2,996
Asia Pacific	17,599	18,219	17,171	17,204	16,927
<b>Total</b>	<b>92,829</b>	<b>95,108</b>	<b>93,368</b>	<b>92,157</b>	<b>91,028</b>
<b>Membership by grade</b>					
Fellow	5,229	5,245	5,237	5,174	5,252
Member	39,925	40,235	40,084	39,875	40,143
Graduate	20,377	20,643	20,163	20,058	19,661
Student	23,418	25,308	24,563	24,283	23,652
Technician	2,806	2,644	2,402	2,023	1,656
Associate	1,033	992	876	701	620
Other	41	41	43	43	44
<b>Total</b>	<b>92,829</b>	<b>95,108</b>	<b>93,368</b>	<b>92,157</b>	<b>91,028</b>



The most significant challenge during the year was securing the qualification pipeline. The usual programme of face-to-face professional reviews in the Spring and Autumn required adjustment and we moved to remote online assessment. In 2019 the Institution conducted nine online reviews, but by the end of 2020 it had delivered 2,109 online reviews, bringing the number of new professionally qualified membership in line with 2019. This is an excellent result in a year of significant disruption. However, there was an elevated number of resignations amongst retired members which led to a fall in the number of total qualified numbers. The online review programme will now continue forward with reviews taking place, online, six times-a-year.

The changes to English regions continue to play out. The East of England Regional Support Team was removed, and the membership absorbed into the London and the South East Team. English regions now focus more on providing insight and influence at local government level, acting as the interface between the five English regions and the central Policy team. Knowledge events, aligned with the central programme, continue but increasingly members are more autonomous in terms of event delivery.

The pandemic also threatened the membership recruitment pipeline for graduates. Those graduating from further and higher education ("FE/HE") in the summer of 2020 were faced with the lack of firm job offers or furloughing. To retain this valuable cohort the Institution embarked on the ICE Assurance campaign, and we mobilised our Corporate Partnership programme to help deliver this. Focus was on the burgeoning national infrastructure pipeline and the associated importance of professionalising the workforce. As a result we were able to secure this cohort and saw an increase in graduate numbers.

It is essential that we inspire school pupils, particularly those aged 16 to 18, to study civil engineering in FE/HE. Events meant this was particularly challenging in 2020, as our work in schools was directly impacted. In response, we digitised the schools' engagement programme and still directly delivered to 480 schools in the year. Applications to study civil engineering at FE/HE institutions increased in 2020 over the 2019 numbers.

To meet the needs of those FE/HE students who would usually expect a work placement we provided a digital equivalent. Teams were provided with a technical case study and mentored by supervising civil engineers and graduate members. High quality submissions were promoted through our website which encouraged further applications and saw a surge in interest building for 2021. The graduate cohort were further supported through the gratis release of five master's level engineering modules to 3,000 graduate members. The importance of engaging with the various membership grades and offering practical support was well received.

The most significant piece of staff/policy work undertaken was Streamlining 2.0. Aimed at meeting the graduate needs articulated in the 2017 Membership Survey, extraneous administration and bureaucracy was stripped out of the qualifications' process. The requirement to bring all panels and committees along as well as ensuring that we remained compliant with JBM (Joint Board of Moderators), Engineering Council and Privy Council protocols was challenging. By the end of 2020 the Implementation Plan and all supporting documentation and knowledge products was in place and the roll out commenced in the first week of 2021.

The pandemic meant many FE/HE campuses were closed to our staff. The usual signing-up sessions that would see ICE capturing new university intakes could not take place. Whilst remote engagement secured approximately 1,000 students, more than 2,000 students disengaged. Many university faculties remain closed with tuition online. Engagement has been postponed to the new academic year, commencing in Autumn 2021. It is the delayed recruitment of 2,000 student members which has caused the reduction in total member numbers from 95,109 to 92,829.

## Knowledge

We made a significant start on delivering our core objective of providing a digital knowledge programme through delivery of an online events programme. We engaged with more than 7,000 individual members and 3,500 non-members. The audience was global, with an average of 14% of audiences from outside the UK.

Key events in the year included:

- *Reassuring the public that infrastructure is safe* – A session featuring Government's building safety advisor Dame Judith Hackitt alongside Transport Scotland chief engineer Hazel MacDonald exploring the extent to which UK's infrastructure is at risk of failure;
- *How can infrastructure help achieve the Sustainable Development Goals?* – A session featuring UNOps deputy director general Steven Crosskey;
- *Toddbrook Reservoir Incident* – A half-day session exploring the lessons to be learned from the Toddbrook reservoir incident;
- *Understanding Good Design* – A session with the National Infrastructure Commission's Design Panel exploring the extent to which civil engineers understand the NIC's Design Principles for major infrastructure;

- *Unwin Lecture: Zero Carbon and Infrastructure* – A session revealing an ICE-commissioned update of the data that informed the 2010 Infrastructure Carbon Review; and
- *A Systems Approach to Infrastructure Delivery* – A session launching the findings of an ICE-commissioned report exploring the root cause of major infrastructure delivery challenges featuring a panel of major infrastructure clients.

We also made a significant start on delivering our critical priority of collaborating with others to realise the achievement of the UN Sustainable Development Goals (“UNSDGs”). We focused on the first, critical priority: *placing decarbonisation of our industry at the heart of our agenda* by launching the Carbon Project.

With a focus on delivering a programme of outputs leading up to the United Nations Climate Change Conference in November 2021 (COP26), The Carbon Project is an industry-wide response, bringing together leaders and experts from across the supply chain to tackle some of the challenges that are slowing progress towards net zero.

It represents the start of a long-term programme of collaborative work, which will seek to share knowledge and best practice on delivering low-carbon solutions across the industry. The work is driven by a steering group of industry leaders, chaired by ICE President Rachel Skinner and focuses on three workstreams where ICE can make an immediate impact and provide focus for our activities before, during and after COP26:

- Workstream 1: Measuring, Sharing and Benchmarking of Carbon Impacts;
- Workstream 2: Capability Building in Low Carbon Design and Delivery; and
- Workstream 3: Identifying Systems-Level Reduction in In-Use Carbon.

The Institution also launched or contributed to a number of other key global initiatives, including joining the International Coalition for Sustainable Infrastructure as a founding partner alongside the American Society of Civil Engineers and the Coalition of Mayors for Climate & Energy, and are leading the Innovation Trends Action Track which seeks to identify the emergent trends that are most likely to drive innovative solutions.

We also collaborated with the Commonwealth Engineers Council (“CEC”) in hosting a webinar in a series of pre-Commonwealth Heads of Government Meetings (“CHOGM”) events which were co-organised by the Commonwealth Architects, Commonwealth Planners, and The Princes Foundation. The events were run as a substitute for the cancelled CHOGM and were a great success. An online series of follow up CPD events is being planned to precede the rescheduled CHOGM meetings in Rwanda in June 2021.

We supported the Infrastructure Client Group in developing and launching a platform to showcase and encourage discussion around the Project 13 approach to infrastructure programme delivery. A digital event for Project 13 included clients from the UK and Australia, and featured strands delivering our critical priority of collaborating with others to realise the achievement of the UNSDGs.

Structural-Safety Limited, the Institution’s joint venture with the Institution of Structural Engineers secured government funding to expand the remit of the Confidential Reporting on Structural Safety (“CROSS”) scheme to cover fire safety in high-risk residential buildings as a direct response to a key recommendation of the *Building a Safer Future* report.

We also commissioned a number of key insight reports to help identify and shape the engineering solutions needed to solve the challenges we face. This included an independent report into how systems thinking can be used to improve the delivery of complex infrastructure projects. We used this insight to create a Systems Approach to Infrastructure Delivery (SAID) that can be used to help deliver better outcomes for infrastructure owners and users.

Furthermore, in conjunction with the National Infrastructure Commission’s Design Panel, we conducted a comprehensive survey of our membership to understand the extent to which they feel able to apply the NIC’s Design Principles for major infrastructure projects that have been developed to ensure infrastructure projects are designed for climate, people, place and value.

## Policy and Public Affairs

The pandemic provided the opportunity to partner with like-minded organisations aligned to shared global challenges such as climate change mitigation and economic recovery.

We convened roundtables and meetings of the All-Party Parliamentary Group on Infrastructure. Policy and decision-makers at these events included the CEO of the Infrastructure and Projects Authority, Financial Secretary to the Treasury, Chair of the National Infrastructure Commission, Chair of the Conservative Policy Forum, Shadow Exchequer Secretary, Shadow Financial Secretary, Chair of the Transport Select Committee, the CEO of the National Infrastructure Commission, the Chair of the Environmental Audit Select Committee, Shadow Chancellor and CEO of the Swedish Climate Policy Council.

We continued to contribute to debates, through insight papers which covered topics from the impact of Covid-19 on infrastructure, nuclear new build, carbon capture and storage, the Coronavirus Business Interruption Loan Scheme, and full-fibre broadband. We responded to consultations on decarbonisation and green finance, planning reform, a rail needs assessment for the Midlands and North and the Union Connectivity Review. ICE's experts gave oral evidence to the Treasury Select Committee and Environmental Audit Select Committee.

We made the case for change by developing positions on aligning utility regulation with long-term political outcomes, reinventing infrastructure delivery, strategic infrastructure planning in Northern Ireland, achieving the net-zero target through infrastructure, Green Book reform, and the pathways for infrastructure decarbonisation.

## Plans for future periods

Our business plan for 2021-2023 will continue to support our strategy to transform lives by helping build a sustainable world. Divisional plans are set out below. Institutional activity has been planned against five key themes to realise achievement of the UNSDGs. These themes are:

- Placing the decarbonisation of our industry at the heart of our agenda (UNSDG 9.4).
- Build resilience and mitigate the significant effects of climate change (UNSDG 13).
- Transforming the availability of potable water and sanitation across the world (UNSDG 6 and 7).
- Transforming the productivity of our industry by driving modern methods of procurement and manufacture (UNSDG 8 and 9).
- Enhancing the knowledge, insight, and ethical understanding of engineers wherever they work across the world.

Specifically, we will:

- Launch a Carbon Champions programme, seeking to build a global cohort of "Carbon Champions" in the build up to the 2021 United Nations Climate Change Conference in Glasgow in November.
- Launch a Carbon Leadership programme that will see us take an industry-leading position around leadership development, offering an accredited Carbon Leadership qualification.
- Deliver the second phase of our Enabling Better Infrastructure programme, focussing on providing tools and guidance for government's worldwide on how to fund and finance infrastructure that drives towards a net zero economy.
- Work with government to develop tools for carbon accounting and procurement on carbon and with other professional engineering institutions to develop a central carbon database.
- The ICE's annual State of the Nation report will focus on how to manage demand and use less with a view to driving systems-level carbon reduction.
- Working with industry innovation body i3P, disseminate information on the latest technical innovations available to help deliver low carbon solutions.

The ongoing Covid-19 pandemic will inevitably impact on our ability to deliver against some objectives, but the ICE's strong digital offering and ability of staff to work remotely is expected to minimise the operational impact as far as is possible.

Additionally, we will:

- Deliver equality and inclusion programmes and work towards achieving 30% diversity on ICE committees and panels by the end of 2021.
- Provide insights for the second National Infrastructure Assessment and support Mayors in England post-election with advice on infrastructure delivery.
- Continue to explore the effects of Covid-19 on the infrastructure system, answering questions on how best to prioritise, pay for and deliver infrastructure.
- Continue the process of developing a replacement for the membership management system. The discovery phase of the project has now completed, and development, which began in October 2020, is expected to run through to 2022.
- Complete a financial review.

## Membership and qualification

The Institution will support aspiring engineers with education, inspiration, advice, guidance, and leadership to deliver a broad and diverse professionally qualified membership in which society has confidence. We will:

- Consolidate the structural changes brought about by the pandemic recovery plan to deliver a world class digital offer, whilst recognising that members and employers will expect an element of face-to-face activity to resume. This will involve undertaking reassurance programmes of students, graduates and those undertaking Initial Professional Development, their employers and engagement to support nascent Apprenticeship programmes.
- Deliver the International Strategy, with regards to business development and member support, concentrating on countries prioritised by the International Committee, and a particular focus on consolidating the relationship with the Hong Kong Institution of Engineers.
- Deliver new routes to membership for those who work in infrastructure or civil engineering but who would not naturally see ICE as their professional home, whilst also maintaining MICE standards. We will create new Chartered qualifications to be awarded by the ICE. We recognise that engineering is changing, and we must remain home to the many, not the few.
- Continue to oversee Initial and Continuing Professional Development and administer specialist registers, including the Reservoirs Panel, to ensure that our members are fit for purpose at all career levels.

## Knowledge

The Institution will continue to draw on learning from across the world to build a body of relevant, reliable knowledge created through experience, analysis, insight, and science to enhance the technical competence and understanding of our members, so they in turn can identify and shape the engineering solutions to the challenges we face. We will:

- Deliver the ICE knowledge programme, ensuring at least one knowledge event relevant to any member will be hosted every week, and work to maximise the exchange of engineering knowledge between our members.
- Grow our knowledge and relationships with other learned societies around the world, and work with other international and national organisations to conclude delivery of a three-year Sustainability Route Map programme.
- Establish a network of ICE Policy Fellows to provide informed comment and advice on a day-to-day basis to the media, politicians, officials and others.
- Oversee a member-led “Future Civil Engineer” programme to understand and serve the professional needs of members.

## Policy and Public Affairs

The Institution will support decision-makers as they plan their recovery from the pandemic, providing authoritative, evidence based, impartial and relevant infrastructure advice on which they can rely. We will:

- Identify and answer the questions that are, or should be, being asked in Westminster and build a network across Whitehall.
- Establish ongoing ICE policy positions to ensure that the public get the infrastructure they need to live sustainably, that the system pays for itself, and that delivery of projects and programmes improves. We will deliver green papers to support these themes.
- Demonstrate impact in leading the debate by achieving references to ICE work in policy documents; securing speaking opportunities for ICE positions to be presented to a policy focused audience; and having responses from key decision makers responding to our policy positions.
- Plan and deliver senior member engagement programme facilitating meetings with industry and decision makers to discuss how best to identify and deliver the infrastructure the UK needs.
- Signpost global best practice for decision and policy makers, drawing on the *Enabling Better Infrastructure* programme, and manage the All-Party Parliamentary Group on Infrastructure.
- Establish partnerships with organisations that share our policy objectives, such as the UN, development banks and the OECD.

## Financial review

The Group's net income before investment gains and losses was £2,387k (2019: £1,627k), whilst the Group's overall financial position strengthened during 2020 with an increase in reserves of £5,380k, summarised as follows:

	2020 £'000	2019 £'000
Net income before investment gains and losses	2,387	1,627
Net investment gains	1,085	2,519
Actuarial gain on defined benefit pension scheme	1,876	1,199
Gain on revaluation of heritage assets	32	–
<b>Net movement in funds</b>	<b>5,380</b>	<b>5,345</b>

In 2020, total income fell 11% to £33,066k (2019: £37,204k). The table below provides a high-level breakdown of income, as shown in the consolidated statement of financial activities.

	2020 £'000	%	2019 £'000	%
<b>Where the money comes from:</b>				
Membership subscriptions	14,505	44	13,820	37
Professional development and admission	1,387	4	1,434	4
Other charitable income	1,999	6	1,290	4
Trading activities	13,232	40	19,335	52
Donations and legacies	1,436	4	787	2
Investment and other income	517	2	538	1
	<b>33,066</b>	<b>100</b>	<b>37,204</b>	<b>100</b>

Included within donations and legacies is an amount of £503k (2019: £nil) received from the Coronavirus Job Retention Scheme and an amount of £43k received from the Hong Kong Employment Support Scheme. All these funds were received in respect to employees in the Institution's subsidiaries, Thomas Telford Limited and the Institution of Civil Engineers (Hong Kong) Limited.

Operating expenditure fell 14% to £30,679k (2019: £35,577k). The table below provides a high-level breakdown of expenditure, as shown in the consolidated statement of financial activities.

	2020 £'000	%	2019 £'000	%
<b>Where the money is spent:</b>				
Membership and qualification	7,783	25	8,953	25
Knowledge	4,385	14	4,045	11
Policy and public affairs	2,100	7	2,481	7
Regional activities	4,557	15	5,744	16
Grants and scholarships	843	3	940	3
Trading activities	10,901	36	13,280	37
Investment managers fees	110	1	134	1
	<b>30,679</b>	<b>100</b>	<b>35,577</b>	<b>100</b>

The majority of ongoing expenditure continued to be incurred directly on charitable activities with £19,634k or 64% (2019: £22,163k, or 62%) of total expenditure allocated to activities in pursuance of the charitable object set out in the Royal Charter.

Membership and qualification related expenditure, which covers the cost of admissions and transfers, professional reviews, and professional learning and development, accounted for £7,783k (2019: £8,953k) of expenditure on charitable activities. Knowledge related expenditure of £4,385k (2019: £4,045k) includes costs related to nurturing and sharing civil engineering knowledge, whilst policy and public affairs expenditure totalled £2,100k (2019: £2,481k). An amount of £4,557k (2019: £5,744k) was spent on the Institution's regional activities, which includes the costs of the UK Regions, our overseas offices, and of supporting the ICE's Local Associations across the world.

The cessation of much of the Institution's face-to-face activity in March and the subsequent move towards providing services digitally lead to significant savings on travel and meeting costs, whilst the temporary closure of our offices also meant further cost savings across the Group. The restructuring of the English regions and the move towards a centrally managed Knowledge programme caused expenditure on knowledge to increase.

Trading activities accounted for £13,232k (40%) (2019: £19,335k, 52%) of total income and £10,901k (36%) of total expenditure (2019: £13,280k, 37%). The Group's trading activities are primarily carried out through ICE's trading subsidiary, Thomas Telford Limited ("TTL"), whose principal activities include the publication of contracts, books and quality journals, the provision of training and consultancy, and the provision of meeting and hospitality facilities.



While expenditure varies in relation to the volume of trading activity, the key measure of effectiveness is the profit generated, which is used to support charitable activities and mitigate increases to membership subscription tariffs. TTL's result for the year was a net profit of £1,922k (2019: £4,678k).

Whilst TTL's publishing and training operations enjoyed another successful year, the events venue in Westminster was closed to external clients for much of 2020 due to the restrictions to limit the spread of Covid-19 which significantly impacted the overall result for the year. The whole of the TTL profit is gift aided to the ICE under a Deed of Charitable Covenant dated 4 December 2017. ICE also runs conferences and seminars directly, in pursuance of its charitable purpose to promote civil engineering rather than for commercial return.

The remaining 1% (2019: 1%) of expenditure was spent on management costs of charity's investment portfolio.

Included within charitable and trading expenditure are support costs totalling £7,494k which represent 24% of total expenditure (2019: £8,069k, 23%). Support costs include expenditure incurred on IT, HR, premises, finance, management, and governance.

### Restricted funds

The QUEST fund enjoyed another successful year. Incoming donations totalled £638k (2019: £465k), of which £77k was from the Francis Connolly Bursary Trust, which was received upon the Trust's winding up. The money will be used to award additional technician scholarships. Scholarships of £550k (2019: £674k) were awarded to 362 recipients (2019: 435). The Institution has adjusted the way in which we fund QUEST scholarships, reducing expenditure to help ensure that the programme remains in place and can continue to support as many undergraduate and technician scholars over the long-term as possible. The Into Civil Engineering Fund continued to award scholarships, and payments totalling £60k (2019: £59k) were made to 14 students (2019: 14).

The Research and Development Enabling Fund awarded six new grants in 2020 (2019: four) with an average grant per recipient of £20k (2019: £15k). During the year the ICE also received a further donation of £32k (2019: £80k) towards the Education and Inspiration Learning Fund, and there are plans to use these funds during 2021 to develop new ways of engaging with 16–18 year olds.

### Balance sheet

Investments increased to £21,819k (2019: £21,046k) due to underlying investment gains. Intangible assets increased to £1,548k (2019: £1,398k), due to new investment in the new membership management system and continued digitisation of products within TTL. Tangible fixed assets decreased by £1,035k to £27,182k (2019: £28,217). The cost of additions was lower than the depreciation charged in the year as careful resource management meant the decision was taken to defer certain capital projects.

The Group's operating and investment activities generated a net cash inflow of £3,193k (2019: £1,700k net inflow) and net cash outflow £604k (2019: £244k net inflow) respectively. After bank loan repayments in the year of £432k (2019: 419k), the Group generated a net cash inflow of £2,107k (2019: £1,525k net inflow).

### Reserves policy

ICE maintains reserves for the following reasons:

- The trading activities of TTL are cyclical and difficult to predict in the medium to long term. The Institution remains aware of the need to diversify its income streams and to minimise the extent to which TTL profits fund the core cost base of the Institution.
- ICE is exposed to several risks, which may interrupt income streams or require additional investment. Reserves are held for contingency purposes.
- Investment balances are subject to potentially adverse change should market conditions deteriorate.
- Pension liabilities could increase as they are dependent on scheme investment performance, long term gilt rates, investment returns and mortality assumptions.
- Major long-term investments are expected to be necessary in the coming years to ensure ICE responds to changes in its operating environment and remains relevant to the needs of society and of its members. Reserves are required for "step change" investments, where funding is expected to be in excess of cash generated through annual operations.

The Trustee Board keeps under review the adequacy of free reserves, which comprise that part of the total unrestricted funds that are freely available. This includes unrestricted funds excluding the FRS 102 pension asset, reduced by the net book value of fixed assets on the basis such assets support the Charity's activities and cannot readily be converted to cash. The resultant policy is to build up free unallocated reserves (including current and non-current assets and liabilities retained in subsidiaries) to a minimum of the equivalent of three to six months of operating expenditure with a current target of four months, set at £10m. This figure reflects the best estimate of what is required to be set aside for the risks and future investment needs outlined above.

### Actual free reserves

Total funds at 31 December 2020 amounted to £75,338k (2019: £69,958k). The increase was due to the success of careful cost management in the year, gains from the investment portfolio, and an actuarial gain on the defined benefit pension scheme. Of total funds, the Group's unrestricted funds amounted to £69,573k (2019: £64,527k).

In the year ended 31 December 2020 the Charity's free reserves increased by £1,634k to £16,034k (2019: £14,400k). Free reserves exclude the Charity's tangible and intangible fixed assets, the defined benefit pension scheme asset, all funds retained in subsidiaries and joint ventures (which are not available for the Charity's own use), and other designated funds.

Total funds retained in subsidiaries at 31 December 2020 were £273k (2019: £240k). Within this amount was £1,291k (2019: £1,158k) of tangible and intangible fixed assets and a net balance of £1,018k (2019: £918k) of current and non-current liabilities. Whilst these liabilities do not form part of the Charity's free reserves, the free reserves target is set after making allowance for them and therefore they are added to the Charity's free reserves when comparing the actual reserves to the target. At 31 December 2020 the free unallocated reserves of the Group therefore stood at £15,016k (2019: £13,482k), an amount in excess of the target of £10m.

Whilst free reserves at 31 December 2020 were above the target, significant expenditure is expected over the coming years, including further investment in the digital delivery of services and capital expenditure on the maintenance of the Institutions estate. Free reserves also remain subject to any movement in investment markets, which have seen significant volatility in recent years. The Trustee Board also remain mindful of the long-term nature of the pension scheme liabilities, and the impact that any movements in the liabilities of the scheme may have on the free reserves.

The Trustee Board expect to review the free reserves target during 2021, giving consideration to expected levels of expenditure and the effect of recent and planned developments on the Group's activity.

ICE is also mindful of the necessity of maintaining adequate liquidity and therefore maintains a liquidity policy of ensuring freely available cash and investment balances do not fall below £6.0m. At 31 December 2020 they stood at £23,731k (2020: £20,636k). The Institution put in place a £3m overdraft facility in October 2020 to provide additional protection against the possible negative impact of the Covid-19 pandemic on the Institution's working capital cash flow. The facility is uncommitted. The bank will review the facility at least annually, with the first review scheduled for April 2021. The facility had not been used at the year end.

### Investment policy

There are no restrictions on the Charity's power to invest, and the investment policy of the Institution is to seek the maximum return over the medium term having due regard to risk. The Institution is active in ensuring that a socially responsible and ethical approach is followed by the investment management funds through which monies are invested, either requiring managers to be signatories to the UN's Principles for Responsible Investment ("UNPRI") or by ensuring their approach is consistent and compatible with the UNPRI. During the year ended 31 December 2020, the Trustee Board agreed that, wherever possible, preference should be given to funds which support the UNSDGs.

The objective for each of the three investment portfolios is to generate a return in excess of inflation over the long term, while generating an income to support the ongoing activities of the Institution or the relevant specific restricted fund. Investments for each specific fund are managed within agreed asset allocation ranges, and their performance is regularly reviewed against appropriate benchmarks.

### Risk management

The ICE must protect against a range of risks and the Trustees have embedded risk management within the Group. Risk registers are regularly updated by the management team and reviewed by the executive, the Audit Committee and the Trustee Board. Action plans identified through the risk register are included in the Institution's annual business planning and budgeting cycle and in the individual objectives for managers and staff.

The principal uncertainty currently facing the Institution is the impact of the Covid-19 pandemic. The Trustees and executive recognise that the Institution faces a prolonged period of uncertainty, however the Institution is in a strong financial position with sufficient reserves to absorb any negative impact. Steps have also been taken to minimise the impact on the Charity's activities and the effect this may have on the Institution's members and beneficiaries.

At the macro level we track long term risks. These are, almost inevitably, creeping risks: initially they seem small or avoidable, but cumulatively over several years they manifest themselves as significant or even severe. Therefore, the strategic risk register is based on:

- Risks to income;
- Risks to delivering the five strategic strands;
- Changes to international and national qualification models;
- Changes to the Professional Engineering Institution landscape;
- Future legislation as it effects professional qualification, membership or charitable structures;
- Changes in the DB Pension Scheme liability; and
- Long term risks to TTL income and or products.

The TTL income risk is a particular issue. TTL's trading activities are cyclical and difficult to predict in the medium to long term. The Trustees remain aware of the need to diversify its income streams and to minimise the extent to which the Institution's core cost base is funded by TTL's profits. The impact of the pandemic in 2020 demonstrated that we should not, and going forward must not, rely on this assumption.

In year we manage a series of detailed risks. The key risks are described in detail below.

Risk description	Risk management
<b>Membership and Qualification:</b> There is a risk that membership numbers reduce. This could be due to a failure to attract new members, both in the UK and internationally, or a reduction in the number of members renewing their membership. There is also a further risk that we fail to convert graduate members to chartered, from student to graduate.	<ul style="list-style-type: none"> <li>• Engagement with universities and employees through the Academic Partnership and Corporate Partnership programmes.</li> <li>• Focus on Sixth Form Engagement program to encourage application for civil engineering degrees</li> <li>• An established and effective pre- and post-lapsing process, targeting members who have not renewed.</li> <li>• Marketing campaign through Membership Development Officers</li> <li>• Promotion of Company Accredited Training Schemes and End Point Assessment with Further and Higher Education students.</li> <li>• Continued promotion of the profession to the public and parents</li> </ul>
<b>Knowledge:</b> There is a risk that we fail to demonstrate the relevance of the ICE Knowledge offer to the sector, or that the programme is inaccessible to the wider membership.	<ul style="list-style-type: none"> <li>• Delivery of ICE Communities of Practice and Communities of Interest</li> <li>• Focus efforts on the new <i>Lessons Learned</i> programme.</li> <li>• Focus the offer on digital delivery, allowing the wider membership access to more of the central programme.</li> </ul>
<b>Policy and Public Affairs:</b> There is a risk that the Policy programme drifts from being relevant, and as a result the membership become disengaged from our policy activity or that policy recommendations fail to land with government or industry.	<ul style="list-style-type: none"> <li>• Focus policy output on strategic medium-term topics which will be relevant</li> <li>• Ensure programme focused on questions being asked by decision makers</li> <li>• Seek member input to incorporate policy questions at a regional level as well as national.</li> </ul>
<b>Supporting delivery:</b> There is a risk that IT systems fail or that there we fail to deliver a strategic IT solution.	<ul style="list-style-type: none"> <li>• Detailed business continuity plans which include specific information on IT systems. Many systems are hosted in the "cloud", limiting the effect of any potential outage, and 2020 has shown staff are able to work from home effectively.</li> <li>• Cyber Security and GDPR compliance are monitored regularly, with penetration testing and assessment performed by external experts.</li> <li>• The replacement of our membership management systems is underway.</li> </ul>

Whilst accepting that absolute assurance cannot be achieved, the trustees are satisfied overall that the major risks have been reviewed and systems or procedures have been established to manage those risks.



## Pay Policy for Senior Staff

Members of the Trustee Board and the senior management team comprise the key management personnel of the Charity in charge of directing and controlling, running and operating the Group on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes 10 and 11 to the accounts.

The remuneration of senior management at director level and above is reviewed and approved annually by the ICE Group Remuneration Committee. This Committee is chaired by a recent Past President. The Committee ensures arrangements are affordable and fair, and designed to motivate and reward performance in the interest of the ICE Group. Remuneration is benchmarked periodically using external surveys and data which include both commercial and not for profit organisations.

## Related parties and connected organisations

The ICE has two wholly owned subsidiary undertakings. Thomas Telford Limited, a company registered in England and Wales through which operates donates its profits to the ICE, and which are then used to support charitable activities, and The Institution of Civil Engineers (Hong Kong) Limited, a company registered in Hong Kong.

The ICE is also an equal guarantor to Structural-Safety Limited ("SSL"), a company registered in England and Wales, with the Institution of Structural Engineers. SSL was incorporated on 4 January 2019 and was dormant in the previous year and began trading during 2020.

The ICE works with a number of charitable organisations in pursuit of its charitable objectives, including the Benevolent Fund of the Institution of Civil Engineers and fourteen Specialist Knowledge Societies, closely affiliated membership bodies with interests in specialist areas of civil engineering.

The ICE also acts as a custodian trustee for funds for several of these Societies. At 31 December 2020 the assets of these funds, which are held in cash separately from the assets of the ICE, were valued at £695k (2019: £389k).

## Streamlined Energy and Carbon Reporting (SECR)

We recognise that climate change is one of the most important issues facing every one of us today. As civil engineers, our members play a crucial role in the reduction of carbon emissions and the ICE aims to help the profession contribute towards the net zero carbon target and mitigate climate change.

In light of this we believe it is important that the ICE is transparent about its own carbon emissions. Whilst not legally required to do so, we are voluntarily reporting our energy and carbon emissions in compliance with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. This requires an annual report on greenhouse gas emissions from UK energy use and business vehicles travel. As this is the first reporting year, no emissions from previous years are available as a comparison.

The table below summarises emissions in the year. The carbon footprint for the year ended 31 December 2020 was 440 tonnes CO<sub>2</sub>e, which represents a carbon intensity of 1.38 tCO<sub>2</sub>e per full time equivalent employee in 2020.

	Quantity	Unit	Carbon Footprint (tCO <sub>2</sub> e)	Scope
Electricity use, One Great George Street	813,540	KWh	190	2
Gas use, One Great George Street	998,113	KWh	184	1
Electricity use, 8 Storey's Gate	176,261	KWh	41	2
Gas use, 8 Storey's Gate	93,940	KWh	17	1
Business vehicle travel	69,359	vkm	8	3
			<b>440</b>	

Whilst comparatives from previous years are not available, we acknowledge that the carbon footprint for the year ended 31 December 2020 reported above is significantly lower than what might usually be expected because of the Covid-19 pandemic. Gas and electricity usage decreased as the Institution's offices have been closed, or partially closed, since March 2020 (with most staff working from home), whilst TTL's events and hospitality business was unable to operate for large parts of the year due to lockdowns. Furthermore, business travel decreased as face-to-face activity ceased and moved online.

Whilst we expect the carbon footprint reported in future years to increase as we re-open our offices and resume face-to-face activity, we expect it to remain lower than the pre-pandemic levels due to positive changes we have made, such as the move to conducting Professional Reviews remotely and offering stronger digital Knowledge content.

## Methodology

Our reporting methodology is based on the UK Government's 2019 Environmental Reporting Guidelines and these carbon footprints have been calculated using the UK Government GHG Conversion Factors for Company Reporting for 2020. Energy use data was collected from energy bills. We have excluded all managed offices where we do not receive a separate charge for energy (which includes the Group's overseas offices).

Approximately 63% of the electricity at One Great George Street and 8 Storey's Gate is from renewable sources. However, in compliance with reporting standards, the carbon saving this creates is not included in the standardised carbon footprint reported above.

Whilst the Institution does not own any vehicles and thus does not purchase any vehicle fuel directly, UK staff and volunteers do sometimes use their own cars for the Institution's business. This has been voluntarily disclosed in the information above and is estimated based on mileage claims in the finance system. Business travel has been calculated using the factor for "Average car, unknown fuel".

## Energy efficient action taken

The ICE is committed to the improvement of its environmental performance; however the management of resources is an important issue for the Charity and it is operating within the constraint that both One Great George Street and 8 Storey's Gate have listed status. Despite this, however, we were still able to implement some energy reduction measures. In the year ended 31 December 2020, the following actions were undertaken to improve energy efficiency:

- Written and introduced a new best practice energy management procedure.
- Began the implementation of a new strategy for gas and electricity usage within our catering operations in Thomas Telford Limited, which will be reviewed and finalised once our buildings reopen in 2021.
- Completed an air conditioning inspection report and Energy Performance of Buildings Certificate.

The above works were carried out following recommendations made in our most recent ESOS report. We have not carried out work on seven other recommendations in the report as we would need to carry out a separate feasibility study before doing so, giving consideration to the potential cost and planning issues in light of the listed status of the buildings.

## Structure, governance and management

The ICE is governed by a Trustee Board which is responsible for the Institution's strategic decision making. Last year's Annual Report set out the process whereby the Institution conducted a Governance Review "The Orr Commission" in 2019. This year the Institution has embedded the changes recommended by the Orr Commission once they had been approved by the membership in a member ballot during the summer of 2020. As such, 2020 has been a year in which we have completed the transition to a new governance structure. We plan to review the effectiveness of the new structure once it has had time to bed in.

The Trustee Board is chaired by the President and comprises three Vice Presidents, three trustees elected by Council, four trustees elected by the membership, and one trustee appointed by the Nomination Committee. All trustees are approved annually by Council.

In 2020, because of the transitional phase, the Trustee Board has consisted of the President, three Vice Presidents who, subject to annual agreement by Council, will succeed to the Presidency, a trustee appointed by the Nomination Committee, two Vice Presidents selected under the previous governance structure (who will *not* succeed to the Presidency), two trustees selected under the previous governance structure, and three members elected by Council.

The Trustee Board meets no fewer than five times a year to carry out its corporate governance responsibilities. Specific responsibilities of the Trustee Board are delegated to key standing committees: Membership, Learning Society, Regional Affairs, International, Public Voice, Audit, and Finance, Assurance and Risk. The implementation of the business plan set by the Trustee Board, as well as the day-to-day management of the affairs of the Institution, is the responsibility of the Director General & Secretary.

Trustees are supported by a 38-strong advisory Council, who offer assistance, insight and advice on the derivation of the ICE's strategy and plan. The Council is chaired by the President, while Council members are directly elected by ICE members worldwide. To maintain continuity, a third of Council seats come up for election each year when Council members finish their three-year terms.

There are regional Council members for each of the 12 UK regions and Hong Kong, International Council members for ICE's four International areas and three Graduate Council members to represent the views of aspiring members. Issues of particular concern to Graduate and Student members are the focus of the Graduate and Students' network (GSNet), and there is a standing invitation for their Chair to attend ICE Council meetings.

As part of their induction, new Trustee Board and Council members are given the Governance Handbook. This contains the Royal Charter and By-laws, an outline of their respective role, all ICE governance procedures and the terms of reference of the Trustee Board, Council and other main standing committees. Trustee Board members are also directed towards guidance and information about trusteeship which is available through the Charity regulatory bodies (i.e. the Charity Commission and Office of the Scottish Charity Regulator). Trustee Board members must ensure that they fully understand their responsibilities as trustees, and a trustee induction day is held annually to reinforce this.

### Standing and Operational Committees

A brief description of the role of each of the standing committees, and the key commercial, financial, and operational committees, is detailed below. The current chair of each committee is listed on page 51.

- **Nomination Committee:** The role of the ICE Nomination Committee is to make recommendations to the Trustee Board for the appointment of candidates for senior positions in the Institution.
- **Membership Committee:** The Membership Committee is responsible to the Trustee Board for the role of the Institution as a qualifying body and for maintaining the professionalism element of membership. The Committee admits, on the Trustee Board's behalf, persons to the Membership Roll at all grades in accordance with the Royal Charter and By-laws.
- **UK Regional Affairs Committee:** The UK Regional Affairs Committee advises the Trustee Board on the ICE's UK regional strategy. The Committee is made up of the Regional Committee chairs from each of the individual 12 UK Region Committees, and the Regional Council members.
- **International Regions Committee:** The International Committee oversees ICE's strategy across the eight ICE international regions and reports to the Trustee Board.
- **Learning Society Committee:** The Learning Society Committee supports the ICE Council in delivering the Institution's knowledge programme.
- **Policy and External Affairs Committee:** The Policy and External Affairs Committee provides strategic direction in matters of government relations and policy.
- **Finance, Assurance and Risk Committee:** The Finance, Assurance and Risk Committee monitors the financial performance and prospects of the Group, helping to ensure the Institution can meet its ongoing financial and non-financial commitments. The Committee scrutinises the annual budgets and plans and reviews management accounts, monitoring performance against the business plan and budgets.
- **Remuneration Committee:** The Remuneration Committee reviews and approves the remuneration of staff at Director level and above on an annual basis. Further details on how pay for these staff is set is detailed on page 16.
- **Audit Committee:** The Audit Committee oversees the management of risk and assesses the overall risk profile of the Institution. Based on this the Committee undertakes a regular cycle of reviews and receives reports on selected internal control processes. The Committee reports to the Trustee Board with a summary of its work, which also highlights the major risks and how the potential impact is mitigated against.

### Professional conduct matters

The Professional Conduct Panel ("PCP") considers complaints against ICE members, and the Disciplinary Board adjudicates on cases referred to it by the PCP. The Disciplinary Board has powers to make orders against members found guilty of improper conduct, which in the most serious cases may be expulsion from ICE membership.

#### Professional Conduct Panel

In 2020 the PCP considered 15 complaints against members regarding their professional conduct. In seven cases the Panel determined that there was no case to answer and the complaint was dismissed. In one case the complaint was withdrawn partway through the process. Three cases have been carried forward to 2021.

In two cases the panel found that the member appeared to have breached the rules of professional conduct, but not seriously enough to be referred to the Disciplinary Board. The members received advice from the Panel. Two new referrals to the Disciplinary Board were made and are scheduled for hearing in 2021, one of which is a conviction case.

## Disciplinary Board

The Disciplinary Board heard three cases in 2020 that were referred by the PCP in 2019. In all three cases the members were found guilty of improper conduct. Two of the members received a sanction of Severe Reprimand and one was Admonished.

In 2020 no cases heard by the Disciplinary Board were appealed.

## Reservoir Safety - Reservoirs Committee

During 2020, the ICE Reservoirs Committee dealt with 52 applications from civil engineers seeking appointment or reappointment to panels of engineers under the relevant United Kingdom legislation for the construction, inspection and supervision of large, raised reservoirs. The committee found that 47 of the applicants qualified for appointment and five were not qualified.

## Members

The role played by our members, who so generously volunteer their time to serve the Institution, cannot be overestimated. It is estimated that over 10,000 members volunteer their time each year. Their expertise is vital across a number of charitable activities, including

- The professional review process by which individuals are assessed for qualification to membership.
- Acting as STEM (Science, Technology, Engineering, and Mathematics) ambassadors to schools.
- The awarding of scholarships from the Queen's Jubilee Scholarship Trust fund.

The Trustee Board are grateful for the contributions of members and recognises that without their efforts there could be no Institution.

## Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the 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 income 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; and
- 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.

Financial statements are published on the Charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

### Provision of information to the auditor

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

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

Signed on behalf of the Trustee Board:



Rachel Skinner BSc (Hons) MSc (Eng) CEng FICE  
**President**

23 March 2021

# Independent auditor's report to the trustees of the Institution of Civil Engineers

## Opinion

We have audited the financial statements of the Institution of Civil Engineers for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, the charity statement of financial activities, the balance sheets, the consolidated statement of cash flows 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 2020 and of the group's net movement in funds 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 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

## Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder. 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions related to going concern

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

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

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

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report and the President's Foreword. 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 (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- sufficient and proper accounting records have not been kept; 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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

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

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

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity law applicable in both England and Wales and Scotland, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:


- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the group relevant to the preparation of the financial statements to ensure these were in place throughout the year, including during the Covid-19 remote working period;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, in particular the valuation of heritage and intangible assets and stock provisions.
- Reviewing the assumptions and judgements used by the professional actuary in relation to the charity's pension asset.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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's trustees as a body for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'Haysmacintyre LLP', with a stylized flourish at the end.

Haysmacintyre LLP  
Statutory auditor  
10 Queen Street Place  
London  
EC4R 1AG

Date:

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.



# Consolidated Statement of Financial Activities

For the year ended 31 December 2020

		Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2020 £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2019 £'000
<b>Income from:</b>									
Donations and legacies	1	592	834	—	1,426	42	745	—	787
Charitable activities									
Membership and qualification	2	16,290	—	—	16,290	15,675	—	—	15,675
Knowledge		1,473	—	—	1,473	777	—	—	777
Policy and public affairs		—	128	—	128	—	92	—	92
Other trading activities	3	13,232	—	—	13,232	19,335	—	—	19,335
Investments	4	201	52	—	253	317	84	—	401
Joint venture	16	128	—	—	128	—	—	—	—
Other	5	136	—	—	136	137	—	—	137
<b>Total</b>		<b>32,052</b>	<b>1,014</b>	<b>—</b>	<b>33,066</b>	<b>36,283</b>	<b>921</b>	<b>—</b>	<b>37,204</b>
<b>Expenditure on:</b>									
Raising funds									
Trading activities	6	10,901	—	—	10,901	13,412	—	—	13,412
Investment managers fees	6	87	23	—	110	104	30	—	134
Charitable activities									
Membership and qualification	6	7,783	—	—	7,783	8,663	—	—	8,663
Knowledge	6	4,385	—	—	4,385	4,017	4	—	4,021
Policy and public affairs	6	2,007	93	—	2,100	2,356	97	—	2,453
Regional activities	6	4,557	—	—	4,557	5,954	—	—	5,954
Grants and scholarships	6	—	843	—	843	7	933	—	940
<b>Total expenditure</b>		<b>29,720</b>	<b>959</b>	<b>—</b>	<b>30,679</b>	<b>34,513</b>	<b>1,064</b>	<b>—</b>	<b>35,577</b>
Net gains on investments		884	142	59	1,085	1,941	451	127	2,519
<b>Net income</b>		<b>3,216</b>	<b>197</b>	<b>59</b>	<b>3,472</b>	<b>3,711</b>	<b>308</b>	<b>127</b>	<b>4,146</b>
Transfers between funds		40	(40)	—	—	85	(85)	—	—
<b>Other recognised gains</b>									
Actuarial gains on defined benefit pension scheme	24	1,876	—	—	1,876	1,199	—	—	1,199
Gain on revaluation of heritage assets	15	32	—	—	32	—	—	—	—
<b>Net movement in funds</b>		<b>5,164</b>	<b>157</b>	<b>59</b>	<b>5,380</b>	<b>4,995</b>	<b>223</b>	<b>127</b>	<b>5,345</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward		64,527	4,338	1,093	69,958	59,532	4,115	966	64,613
Total funds carried forward		69,691	4,495	1,152	75,338	64,527	4,338	1,093	69,958

All income and expenditure are derived from continuing activities. There are no other recognised gains or losses other than those stated above.

The accounting policies and notes on pages 28 to 50 form an integral part of these financial statements.

# Charity Statement of Financial Activities

For the year ended 31 December 2020

		Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2020 £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2019 £'000
<b>Income from:</b>									
Donations and legacies	1	1,962	834	—	2,802	4,720	745	—	5,465
Charitable activities									
Membership and qualification	2	16,290	—	—	16,290	15,675	—	—	15,675
Knowledge		1,473	—	—	1,473	777	—	—	777
Policy and public affairs		—	128	—	128	—	92	—	92
Other trading activities	3	1,366	—	—	1,366	2,341	—	—	2,341
Investments	4	201	52	—	253	317	84	—	401
Joint venture	16	128	—	—	128	—	—	—	—
Other	5	136	—	—	136	137	—	—	137
<b>Total</b>		<b>21,562</b>	<b>1,014</b>	<b>—</b>	<b>22,576</b>	<b>23,967</b>	<b>921</b>	<b>—</b>	<b>24,888</b>
<b>Expenditure on:</b>									
Raising funds									
Trading activities	6	600	—	—	600	1,411	—	—	1,411
Investment managers fees	6	87	23	—	110	104	30	—	134
Charitable activities									
Membership and qualification	6	7,783	—	—	7,783	8,663	—	—	8,663
Knowledge	6	4,385	—	—	4,385	4,017	4	—	4,021
Policy and public affairs	6	2,007	93	—	2,100	2,356	97	—	2,453
Regional activities	6	4,401	—	—	4,401	5,864	—	—	5,864
Grants and scholarships	6	—	843	—	843	7	933	—	940
<b>Total expenditure</b>		<b>19,263</b>	<b>959</b>	<b>—</b>	<b>20,222</b>	<b>22,422</b>	<b>1,064</b>	<b>—</b>	<b>23,486</b>
Net gains on investments		884	142	59	1,085	1,941	451	127	2,519
<b>Net income</b>		<b>3,183</b>	<b>197</b>	<b>59</b>	<b>3,439</b>	<b>3,486</b>	<b>308</b>	<b>127</b>	<b>3,921</b>
Transfers between funds		40	(40)	—	—	85	(85)	—	—
<b>Other recognised gains</b>									
Actuarial gains on defined benefit pension scheme	24	1,876	—	—	1,876	1,199	—	—	1,199
Gain on revaluation of heritage assets	15	32	—	—	32	—	—	—	—
<b>Net movement in funds</b>		<b>5,131</b>	<b>157</b>	<b>59</b>	<b>5,347</b>	<b>4,770</b>	<b>223</b>	<b>127</b>	<b>5,120</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward		64,287	4,338	1,093	69,718	59,517	4,115	966	64,598
Total funds carried forward		69,418	4,495	1,152	75,065	64,287	4,338	1,093	69,718

All income and expenditure are derived from continuing activities. There are no other recognised gains or losses other than those stated above.

The accounting policies and notes on pages 28 to 50 form an integral part of these financial statements.

## Balance Sheets

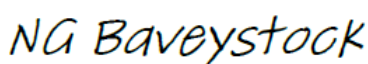
at 31 December 2020

	Note	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
<b>Fixed Assets</b>					
Intangible assets	13	1,548	1,399	539	419
Tangible assets	14	27,182	27,798	26,900	27,620
Heritage assets	15	15,240	15,204	15,240	15,204
Investments	16	21,937	21,046	22,238	21,347
		<b>65,907</b>	<b>65,447</b>	<b>64,917</b>	<b>64,590</b>
<b>Current Assets</b>					
Stocks	17	316	405	–	–
Debtors	18	4,211	4,336	2,559	2,678
Cash at bank and in hand		8,093	5,643	6,935	4,133
		<b>12,620</b>	<b>10,384</b>	<b>9,494</b>	<b>6,811</b>
<b>Creditors: amounts falling due within one year</b>	19	<b>(11,207)</b>	<b>(11,056)</b>	<b>(7,632)</b>	<b>(7,039)</b>
<b>Net current assets (liabilities)</b>		<b>1,413</b>	<b>(672)</b>	<b>1,862</b>	<b>(228)</b>
<b>Creditors: amounts falling due after one year</b>	20	<b>(474)</b>	<b>(808)</b>	<b>(206)</b>	<b>(635)</b>
<b>Total net assets before pension scheme asset</b>		<b>66,846</b>	<b>63,967</b>	<b>66,573</b>	<b>63,727</b>
Defined benefit pension scheme asset	24	8,492	5,991	8,492	5,991
<b>Total net assets</b>		<b>75,338</b>	<b>69,958</b>	<b>75,065</b>	<b>69,718</b>
<b>The funds of the group</b>	26				
Endowment funds		1,152	1,093	1,152	1,093
Restricted funds		4,495	4,338	4,495	4,338
Unrestricted income funds		53,398	50,767	53,125	50,527
Pension reserve		8,492	5,991	8,492	5,991
Revaluation reserve		7,801	7,769	7,801	7,769
<b>Total group funds</b>		<b>75,338</b>	<b>69,958</b>	<b>75,065</b>	<b>69,718</b>

The financial statements were approved by the trustees on 23 March 2021 and signed on their behalf by:



**Rachel Skinner**  
President



**Nick Baveystock**  
Director General and Secretary



**Edward McCann**  
Senior Vice President

The accounting policies and notes on pages 28 to 50 form an integral part of these financial statements.

# Consolidated Statement of Cash Flows

For the year ended 31 December 2020

	2020 £'000	2019 £'000
<b>Cash flows from operating activities</b>		
<b>Net income (expenditure) for the year (as per the statement of financial activities)</b>	<b>3,472</b>	<b>4,146</b>
Adjusted for:		
Investment income	(253)	(401)
Joint venture income	(128)	–
Net investment (gains) losses	(1,085)	(2,519)
Depreciation	995	995
Amortisation	344	380
Loss on disposal of tangible fixed assets	4	6
Donated heritage assets	(4)	(4)
Net interest on defined benefit pension scheme	(125)	(126)
Defined benefit pension scheme deficit reduction payments	(500)	(500)
Decrease (increase) in stocks	89	(37)
Decrease (increase) in debtors	125	(110)
Increase (decrease) in creditors	66	(130)
<b>Net cash provided by operating activities</b>	<b>3,000</b>	<b>1,700</b>
<b>Cash flows from investing activities</b>		
Investment income	253	401
Distribution from joint venture	10	–
Proceeds from the sale of investments	5,842	14,273
Purchase of investments	(5,873)	(13,455)
Purchase of tangible fixed assets	(383)	(521)
Purchase of intangible fixed assets	(310)	(454)
<b>Net cash used in investing activities</b>	<b>(461)</b>	<b>244</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowing	(432)	(419)
<b>Net cash used in financing activities</b>	<b>(432)</b>	<b>(419)</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>2,107</b>	<b>1,525</b>
Cash and cash equivalents at 1 January	6,007	4,482
<b>Cash and cash equivalents at 31 December</b>	<b>8,114</b>	<b>6,007</b>

	At 1 January 2020 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 December 2020 £'000
<b>Analysis of changes in net debt</b>				
<b>Cash and cash equivalents</b>				
Cash in hand	3,468	(1,059)	–	2,409
Short term deposits	2,175	3,509	–	5,684
Cash held by investment manager for reinvestment	364	(343)	–	21
	6,007	2,107	–	8,114
<b>Borrowings</b>				
Debt due within one year	(432)	432	(429)	(429)
Debt due after one year	(635)	–	429	(206)
	(1,067)	432	–	(635)
<b>Total</b>	<b>4,940</b>	<b>2,539</b>	<b>–</b>	<b>7,479</b>

The accounting policies and notes on pages 28 to 50 form an integral part of these financial statements.

# Principal accounting policies

For the year ended 31 December 2020

The principal accounting policies adopted by the Charity and Group are set out below.

## Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The statements have been prepared under the historical cost convention as modified by the revaluation of investments at market value.

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

The accounts are presented in sterling and are rounded to the nearest thousand pounds.

## Basis of consolidation

The consolidated financial statements incorporate the results of The Institution of Civil Engineers ('the Charity') and its subsidiary undertakings, Thomas Telford Limited ("TTL") and The Institution of Civil Engineers (Hong Kong) Limited, on a line by line basis, after the elimination of intra-group transactions.

In preparing the separate financial statements of the parent charity, advantage has been taken of the following disclosure exemptions available in FRS 102:

- no statement of cash flows is presented for the charity; and
- no disclosure has been given for the aggregate remuneration of the key management personnel of the parent charity as their remuneration is included in the totals for the Group as a whole.

## Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Trustees have made this assessment after reviewing the Charity's forecasts and projections, which are being continually updated in light of the ongoing Covid-19 outbreak. The Charity has a strong balance sheet and the trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due without seeking outside funding.

With regard to the next accounting period, the year ending 31 December 2021, the most significant areas that are likely to affect the carrying value of the assets held by the Charity are the level of investment return and the performance of the investment markets.

## Fund accounting

Unrestricted funds are reserves which are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and which have not been designated for specific purposes. In accordance with FRS 102 – Retirement Benefits, a pension reserve is included within unrestricted funds representing the value of the surplus on the defined benefit pension scheme.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted reserves are funds which are allocated by the donor for specific purposes.

Endowment funds are assets which must be held permanently by the Charity but income arising from the assets may be expended.

A description of the funds in existence during the year is included in note 26 to the accounts.

## Income

Income is recognised in the period in which entitlement is established, when economic benefit is probable, and the value can be measured reliably.

### Donations

Income from donations is included when the conditions for receipt have been met and there is a probable assurance of receipt. When donors specify that donations are for a particular restricted purpose which do not amount to preconditions regarding entitlement, this income is included in income of restricted funds when receivable. Government grant income for amounts claimed from HMRC under the Coronavirus Job Retention Scheme is accounted for in the period in which the associated salary payments are made to furloughed staff.

### Legacies

Recognition of legacy income is dependent on the type of legacy. Pecuniary legacies are recognised when notification is received, and probate is granted. Residuary legacies are recognised when entitlement is established, and the value can be measured reliably, which is typically on grant of probate.

### Member subscriptions

Income from member subscriptions is allocated to the year to which it relates, with payments received in advance held as deferred income.

### Investment income and interest

Investment income and interest are recognised when receivable.

### Trading activities

Turnover arises from publishing, recruitment, catering, room hire and training. Turnover is recognised when the event, product or service has been delivered and the Group has fulfilled its contractual obligations. It excludes value added tax and trade discounts. Income from journal subscriptions and event bookings is allocated to the year to which it relates, with payments received in advance held as deferred income.

## Expenditure

Expenditure is included in the statement of financial activities on an accruals basis, inclusive of any VAT which cannot be recovered. Expenditure is allocated on the bases indicated below.

### Cost of raising funds

Cost of raising funds comprises the costs of fundraising activities, commercial trading activities and investment management fees. Expenditure on other trading activities includes all the costs of Thomas Telford Limited, including the costs of goods sold.

### Charitable activities

Expenditure on charitable activities is reflected in these accounts under five main headings:

- Membership and qualification
- Knowledge
- Policy and public affairs
- Regional activities
- Grants and scholarships

Expenditure on charitable activities includes both direct costs and support costs. Support costs include property costs, HR, finance, IT, and other administrative and governance costs associated with supporting the charitable activities. They have been allocated to the cost of charitable activities on a basis consistent with the use of resources using appropriate measures such as headcount and floor area. The basis of the cost allocation has been explained in the note 8 to the accounts.

### Grants payable

Grants payable, including scholarships, are 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.

## Employee benefits

### Defined contribution pension plan

Employer contributions to defined contribution pension plans are recognised as an expense when these are due. Amounts not paid are shown in other creditors in the balance sheet.

### Defined benefit pension plan

The Institution of the Civil Engineers Staff Retirement Benefits & Life Assurance Scheme ("the Scheme"), a defined benefit pension scheme closed to future accrual in November 2010. The Scheme is being accounted for under Section 28 of FRS 102, with the annually calculated surplus or deficit on the funding of the Scheme shown in the financial statements as an unrestricted fund, which is added to or deducted from unrestricted funds in the balance sheet. The trustees of the Scheme believe that the Scheme currently meets the minimum funding requirements. The assets of the Scheme are held completely independently from the Charity.

Net interest on the net defined benefit pension scheme asset is recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the year by the discount rate. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The asset and expense related to the Scheme are allocated entirely to the unrestricted ongoing activities of the Group.

### Holiday Pay Accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

## Foreign currency

Transactions in foreign currencies are recognised at the rate of exchange at the date of the transaction. Any exchange differences are recognised through the statement of financial activities. Foreign exchange monetary assets and liabilities are recognised at the rate of exchange ruling at the balance sheet date.

## Taxation

The Institution of Civil Engineers is a registered charity and accordingly is exempt from taxation on its charitable activities which fall within the scope of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992. No tax liability, current or deferred, arose in respect of the Charity during the year.

## Leases

Payments made under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

## Fixed asset investments

Fixed asset investments are included at market value at the balance sheet date. Any gain/(loss) on revaluation is credited/(charged) to the statement of financial activities. Investments in subsidiary companies are included at cost less any provision for impairment. Investments in non-charitable companies under a joint venture arrangement are included at fair value, which is the Group's and/or Charity's share of the net assets of the commercial company as at the balance sheet date.

## Tangible fixed assets

Freehold properties are capitalised at historical cost. Capital items having a cost of less than £5k are written off in the year in which the expenditure is incurred. The values of the buildings are informally monitored by the trustees on a regular basis in order to identify any permanent diminution in value which, where applicable, is charged to the statement of financial activities. Depreciation is charged on freehold refurbishment costs to write off the cost over the anticipated economic life.

No depreciation is charged on the assets under construction until they are brought into service. The annual rates of depreciation used to write off the cost of tangible fixed assets in equal instalments over their expected useful lives are as follows:

Freehold property	2% per annum
Improvements to freehold property	2.5% to 10% per annum
Furniture, fixtures and equipment	5% to 20% per annum



## Intangible assets

Software acquired from third parties is capitalised when it is probable that the expected future economic benefits that are attributable will flow to the Group and their costs can be reliably measured. Capital items having a cost of less than £5k are written off in the year in which the expenditure is incurred. Amortisation is charged to write off the cost over the anticipated economic life.

No amortisation is charged on the software until the asset is brought into service. The annual rate of depreciation used to write off the cost of intangible assets in equal instalments over their expected useful lives is 14% to 20% per annum.

## Heritage assets

The Institution holds a collection of heritage assets relating to the history of the Institution itself and the wider history of civil engineering. The collection is in three main categories:

- Printed works: The Library contains over 140,000 titles. In addition, the collection includes manuscripts, original drawings, engravings and photographs of or by eminent civil engineers. This collection was designated as being of 'national significance' by the MLA (now Arts Council England) in 2009.
- Pictures: The Institution displays the world's finest collection of engineering portraits and other engineering related subjects, over 250 in number.
- Other artefacts: This collection of approximately 200 items includes fine furniture, decorative art and silver, mostly donated by distinguished past members, and with a civil engineering association. We also act as custodians for the Smeatonian Society of Civil Engineers small collection.

The printed works, pictures and other artefacts were valued for insurance purposes by item by L&J Gull, a respected valuer in November 2017 and are included on the balance sheet, at the values shown in Note 15. Trustees consider that the above methods of valuation constitute appropriate and relevant bases for valuation.

Acquisitions to all these collections are made by purchase or donation. Purchases are recorded at cost and donations are recorded at an appropriate current value where available at the time of acquisition. The cost of obtaining an annual valuation outweighs the value of any resultant benefit. The Institution holds and retains these assets as a long term policy for use for its charitable purposes and does not therefore intend to dispose of such assets.

Any changes in value of the heritage assets capitalised will be (charged)/credited to the recognised gains and losses (as appropriate) within the statement of financial activities. Such assets are not depreciated as they are deemed to have indeterminate lives. Expenditure which is required to preserve or prevent further deterioration of individual collection items is recognised in the statement of financial activities when it is incurred.

Those assets stored in the Institution's archive or in display cabinets comply with BS 5454, "Recommendations for the storage and exhibition of archival documents". Among other things, it specifies temperature and humidity ranges for document storage, shelving schemes, and materials for document containers. The archive is protected by a gas fire suppression system.

Collections are managed and recorded in discrete databases and to the prevailing standard (UDC system for cataloguing of books and ISAD for the archive items).

The collection is accessible to the public on request with most of the pictures on display throughout the building.

## Stocks

Stocks are valued at the lower of cost and net realisable value. Provision is made for obsolete, slow-moving or defective items where appropriate.

## Financial instruments

Financial instruments are recognised in the Group's balance sheet when it becomes party to the contractual provisions of the instrument. Financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and liability simultaneously.

## Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price. Such assets are subsequently carried at the amortised cost using the effective interest method, less impairment



Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, with subsequent changes in fair value recognised in the SOFA, except that investments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the established cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of financial activities.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

### Financial liabilities

Basic financial liabilities, including trade and other payables and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Trade payables and obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These are classified as current liabilities if payment is due within one year or less. If not, these are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost.

### Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as detailed below:

#### Useful economic lives of tangible and intangible fixed assets

The annual depreciation and amortisation charge for fixed assets is sensitive to changes in estimated useful economic lives of the assets. The useful economic lives are re-assessed annually and are amended where necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

#### Valuation of heritage assets

The valuation of heritage assets is based on estimates provided by external professional valuers based on their experience and judgement. Further detail on heritage assets is provided with the heritage assets accounting policy above and within note 15.

#### Defined benefit pension scheme asset

The determination of the assumptions used in calculating the defined benefit pension scheme asset is the responsibility of the Trustees. The assumptions are set with regard to advice given by the scheme actuary. In this context, significant judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 December 2019 has been used by the actuary in valuing the pension asset at 31 December 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset.

The scheme rules do not include any specific instructions for dealing with any residual surplus in the scheme at the point of wind up. Given the lack of clarity within the rules, significant accounting judgement is exercised in determining to recognise the pension scheme asset on the balance sheet, and also in determining the value of the asset that should be recognised.

#### Allocation of support costs

Judgement is exercised in determining the appropriate basis to use for each category of support cost when apportioning those costs to the activities within raising funds and charitable activities. Details of the method of apportionment are included within note 8.

# Notes to the financial statements

For the year ended 31 December 2020

## 1. Income from donations and legacies

Group	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
R&D Enabling Fund	—	110	110	—	111	111
Quest	—	638	638	—	465	465
Shaping the World	—	43	43	—	89	89
Other donations	3	43	46	4	80	84
Government Grants	502	—	502	—	—	—
Overseas Government Grants	44	—	44	—	—	—
Legacies	43	—	43	38	—	38
	592	834	1,426	42	745	787

Charity	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
R&D Enabling Fund	—	110	110	—	111	111
Quest	—	638	638	—	465	465
Shaping the World	—	43	43	—	89	89
Other donations	3	43	46	4	80	84
Legacies	43	—	43	38	—	38
Gift aid donation from subsidiary undertaking	1,922	—	1,922	4,678	—	4,678
	1,968	834	2,802	4,720	745	5,465

## 2. Income from membership and qualification

Group and charity	2020 £'000	2019 £'000
Annual subscriptions	14,505	13,820
Professional development and admission	1,387	1,434
Other fees and service income	398	421
	16,290	15,675

All income from membership and qualification activities was unrestricted in both 2020 and 2019.

## 3. Income from trading activities

Group and charity	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Events and sponsorship	402	1,535	245	1,222
Rental income	134	125	1,103	1,101
Turnover generated by Thomas Telford Limited	12,696	17,675	—	—
Interest receivable	—	—	18	18
	13,232	19,335	1,366	2,341

All income from trading activities was unrestricted in both 2020 and 2019.

#### 4. Income from investments

Group and charity	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Dividends from investments	188	51	239	277	80	357
Interest income	13	1	14	40	4	44
	201	52	253	317	84	401

#### 5. Other income

Group and charity	Total 2020 £'000	Total 2019 £'000
BRE Global Ltd collaboration agreement	11	11
Net interest on defined benefit pension scheme asset	125	126
	136	137

All other income was unrestricted in both 2020 and 2019.

#### 6. Expenditure

Group	Direct costs £'000	Awards & grants £'000	Support costs £'000	Total 2020 £'000
Raising Funds				
Trading activities	10,632	–	269	10,901
Investment managers fees	110	–	–	110
	10,742	–	269	11,011
Charitable Activities				
Membership and qualification	4,003	–	3,780	7,783
Knowledge	3,066	–	1,319	4,385
Policy and public affairs	1,284	–	816	2,100
Regional activities	3,247	–	1,310	4,557
Grants and scholarships	94	749	–	843
	11,694	749	7,225	19,668
	22,436	749	7,494	30,679

	Direct costs £'000	Awards & grants £'000	Support costs £'000	Total 2019 £'000
Raising Funds				
Trading activities	12,971	–	441	13,412
Investment managers fees	134	–	–	134
	13,105		441	13,546
Charitable Activities				
Membership and qualification	4,832	–	3,831	8,663
Knowledge	2,606	–	1,415	4,021
Policy and public affairs	1,591	–	862	2,453
Regional activities	4,434	–	1,520	5,954
Grants and scholarships	130	810	–	940
	13,593	810	7,628	22,031
	26,698	810	8,069	35,577

<b>Charity</b>	<b>Direct costs £'000</b>	<b>Awards &amp; grants £'000</b>	<b>Support costs £'000</b>	<b>Total 2020 £'000</b>
Raising Funds				
Trading activities	331	–	269	<b>600</b>
Investment managers fees	110	–	–	<b>110</b>
	<b>441</b>	<b>–</b>	<b>269</b>	<b>710</b>
Charitable Activities				
Membership and qualification	4,003	–	3,780	<b>7,783</b>
Knowledge	3,066	–	1,319	<b>4,385</b>
Policy and public affairs	1,284	–	816	<b>2,100</b>
Regional activities	3,091	–	1,310	<b>4,401</b>
Grants and scholarships	94	749	–	<b>843</b>
	<b>11,538</b>	<b>749</b>	<b>7,225</b>	<b>19,512</b>
	<b>11,979</b>	<b>749</b>	<b>7,494</b>	<b>20,222</b>

	<b>Direct costs £'000</b>	<b>Awards &amp; grants £'000</b>	<b>Support costs £'000</b>	<b>Total 2019 £'000</b>
Raising Funds				
Trading activities	970	–	441	1,411
Investment managers fees	134	–	–	134
	<b>1,104</b>	<b>–</b>	<b>441</b>	<b>1,545</b>
Charitable Activities				
Membership and qualification	4,832	–	3,831	8,663
Knowledge	2,606	–	1,415	4,021
Policy and public affairs	1,591	–	862	2,453
Regional activities	4,344	–	1,520	5,864
Grants and scholarships	130	810	–	940
	<b>13,503</b>	<b>810</b>	<b>7,628</b>	<b>21,941</b>
	<b>14,607</b>	<b>810</b>	<b>8,069</b>	<b>23,486</b>

## 7. Awards & grants

<b>Group and charity</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
Research and Development grants	<b>121</b>	58
Into Civil Engineering scholarships	<b>60</b>	58
Queen's Jubilee Scholarship Trust	<b>550</b>	674
Trust Fund awards and prizes	<b>18</b>	20
	<b>749</b>	<b>810</b>

The number of individuals and organisations who received awards, prizes and scholarships is as follows:

	<b>2020 No</b>	<b>2019 No</b>
Research and Development grants – organisations	<b>6</b>	4
Into Civil Engineering scholarships – individuals	<b>14</b>	14
Queen's Jubilee Scholarship Trust – individuals	<b>362</b>	435
Trust Fund awards and prizes - individuals	<b>72</b>	108
	<b>454</b>	<b>561</b>

Grants made to organisations from the Research and Development Enabling Fund are as follows:

Organisation	Purpose	2020 £'000	2019 £'000
Imperial College London	Ground and existing tunnel response to building demolition, excavation and new construction	34	–
Liverpool John Moores University	Corrosion resistant bio-concrete with blended ashes whilst solving waste problems of UK biomass plants	26	–
Strathclyde University	Concrete dams and sea walls assessment using two new Geophysical monitoring systems	25	–
Brunel University	Development of resilient healthcare estate for better infection control	25	–
James Ogden Genspira	Funding for an innovative new tidal energy mechanism	5	–
Dr Jannik Gieseckam	Updating the Infrastructure Carbon Review emissions dataset	6	–
British Geological Survey	A new national UK seismic hazard map for Eurocode 8	–	24
British Tunnelling Society	The tunnelling challenges of Hyperloop	–	4
Expedition Engineering	Social value in construction: How far have we really come, and can we achieve more?	–	25
University of Cambridge	Blast resilience of glazed facades: Towards a new understanding of post-crack behaviour of laminated glass	–	5
		<b>121</b>	<b>58</b>

## 8. Support costs

Group and charity	Premises costs £'000	IT costs £'000	Charity management costs £'000	Total 2020 £'000
Membership and qualification	922	1,341	1,517	3,780
Knowledge	322	468	529	1,319
Policy and public affairs	199	290	327	816
Regional activities	63	697	550	1,310
	1,506	2,796	2,923	7,225
Trading activities	66	95	108	269
	1,572	2,891	3,031	7,494

	Premises costs £'000	IT costs £'000	Charity management costs £'000	Total 2019 £'000
Membership and qualification	946	1,145	1,740	3,831
Knowledge	349	424	642	1,415
Policy and public affairs	213	258	391	862
Regional activities	83	669	768	1,520
	1,591	2,496	3,541	7,628
Trading activities	108	132	201	441
	1,699	2,628	3,742	8,069

The methods used to apportion overheads are as follows:

		2020 £'000	2019 £'000
<b>Charity management costs</b>			
Finance	Headcount	980	1,219
Pension overhead	Headcount	163	129
Human Resources	Headcount	340	575
Office of the Director General	Headcount	427	559
Council	Headcount	107	212
Depreciation and repairs	Estimated usage	1,014	1,048
		<b>3,031</b>	<b>3,742</b>
Premises costs	Headcount	1,572	1,699
IT costs	Headcount	2,891	2,628
		<b>7,494</b>	<b>8,069</b>

## 9. Net income

This is stated after charging:

Depreciation of tangible fixed assets	
Amortisation of intangible assets	
Loss on disposal of tangible fixed assets	
Auditors' remuneration	
Audit services	
Non-audit services	
Investment management fees	
Amounts payable under operating leases	
Equipment	
Property	

Group 2020 £'000	Group 2019 £'000
995	995
344	380
4	6
33	35
3	22
110	134
20	21
202	225

## 10. Staff costs

Wages and salaries
Social security costs
Pension costs
Temporary staff

Group 2020 £'000	Group 2019 £'000
13,995	14,065
1,352	1,452
875	820
245	538
16,467	16,876

An amount of £256k (2019: £46k) paid out as redundancy or termination payments is included in wages and salaries above.

The average number of UK employees of the Group during the year was as follows:

Charitable activities
Trading activities

Group 2020 No	Group 2019 No
221	228
116	113
337	341

The number of employees paid by the Group whose emoluments, excluding employer's pension contributions, exceeded £60,000 are analysed as follows:

£60,000 - £70,000
£70,001 - £80,000
£80,001 - £90,000
£90,001 - £100,000
£100,001 - £110,000
£110,001 - £120,000
£120,001 - £130,000
£130,001 - £140,000
£140,001 - £150,000
£170,001 - £180,000
£180,001 - £190,000
£190,001 - £200,000
£200,001 - £210,000
£220,001 - £230,000

Group 2020 No	Group 2019 No
19	17
8	9
7	8
3	2
3	3
4	1
—	2
—	2
1	—
—	—
2	1
—	1
1	—
1	1

Pension benefits are accruing for 11 employees as a result of the salary link in the defined benefit scheme for those in the bandings above £60k (2019: 10). The scheme closed to future accrual on 30 November 2010. Pension payments to the defined contribution scheme for those in bandings above £60k totalled £266k (2019: £257k).

Key management personnel of eight staff, one of whom was appointed during the year (2019: eight, one of whom was appointed and one of whom resigned), detailed within the Reference and Administration section on page 3, received remuneration, including benefits and employer pension contributions, of £1,159k in the year (2019: £1,096k).

## 11. Trustee remuneration

None of the Trustees receive any remuneration for their services as a trustee.

Details of travel and subsistence expenses reimbursed to or paid on behalf of Trustees, including overseas Presidential tours and participation in membership and learned society activity are summarised below.

	2020 £'000	2019 £'000	2020 No	2019 No
Expenses reimbursed to or paid on behalf of Trustees	6	49	7	10

Trustee liability insurance has been purchased by the Charity at a cost of £8k (2019: £6k).

## 12. Related parties

The following payments, which have been made in accordance with Charity Commission guidance (CC11), have been made to Trustees or parties related to them in respect of services to ICE.

Trustee	Recipient	Nature of payment	2020 £	2019 £
L Waugh	Coast Communications & Marketing Limited	Payment for PR & Comms Services	254	14,285
E McCann	Expedition Engineering Ltd	Grant from the Research and Development Enabling Fund	–	25,000

Trustees donated in aggregate £105 (2019: £332) to the Charity during the year. Of these amounts, £65 (2019: £115) was donated towards the Queen's Jubilee Scholarship Trust fund, £32 (2019: £97) was donated towards the Research and Development Enabling Fund, and £5 (2019: £120) was donated towards the Shaping the World Fund.

## 13. Intangible assets

Group	Total 2020 £'000
<b>Cost</b>	
At 1 January 2020	4,758
Additions	493
Disposals	(61)
At 31 December 2020	5,190
<b>Amortisation</b>	
At 1 January 2020	3,359
Charge for the year	344
On disposals	(61)
At 31 December 2020	3,642
<b>Net book value at 31 December 2020</b>	<b>1,548</b>
Net book value at 31 December 2019	1,399

All intangible assets relate to computer software and licensed products.



	Total 2020 £'000
<b>Charity</b>	
<b>Cost</b>	
At 1 January 2020	2,607
Additions	262
Disposals	(61)
At 31 December 2020	2,808
<b>Amortisation</b>	
At 1 January 2020	2,188
Charge for the year	142
On disposals	(61)
At 31 December 2020	2,269
<b>Net book value at 31 December 2020</b>	<b>539</b>
Net book value at 31 December 2019	419

## 14. Tangible fixed assets

Group	Freehold property £'000	Fixtures, fittings & equipment £'000	Total 2020 £'000
<b>Cost/valuation</b>			
At 1 January 2020	37,191	5,195	42,386
Additions	76	307	383
Disposals	–	(214)	(214)
At 31 December 2020	37,267	5,288	42,555
<b>Depreciation</b>			
At 1 January 2020	11,431	3,157	14,588
Charge for the year	667	328	(995)
On disposals	–	(210)	210
At 31 December 2020	12,098	3,275	15,373
<b>Net book value at 31 December 2020</b>	<b>25,169</b>	<b>2,013</b>	<b>27,182</b>
Net book value at 31 December 2019	25,760	2,038	27,798

All Group assets are used in support of charitable or trading activities. Freehold property includes two assets. The Institution's headquarters, One Great George Street, and 8 Storey's Gate. There is no reasonable likelihood that either property will be considered for sale in the foreseeable future.

The Trustees consider that the market values of the respective properties are not less than the carrying values included above.

Charity	Freehold property £'000	Fixtures, fittings & equipment £'000	Total 2020 £'000
<b>Cost/valuation</b>			
At 1 January 2020	37,191	4,530	41,721
Additions	76	128	204
Disposals	–	(196)	(196)
At 31 December 2020	37,267	4,462	41,729
<b>Depreciation</b>			
At 1 January 2020	11,431	2,670	14,101
Charge for the year	667	254	921
On disposals	–	(193)	(193)
At 31 December 2020	12,098	2,731	14,829
<b>Net book value at 31 December 2020</b>	<b>25,169</b>	<b>1,731</b>	<b>26,900</b>
Net book value at 31 December 2019	25,760	1,860	27,620

## 15. Heritage assets

Group and charity	2020 £'000	2019 £'000	2018 £'000	2017 £'000	2016 £'000
Valuation at 1 January	15,204	15,200	15,193	7,420	7,419
Additions	—	4	5	—	1
Donations	4	—	2	4	—
Revaluation	32	—	—	7,769	—
<b>Valuation at 31 December</b>	<b>15,240</b>	<b>15,204</b>	<b>15,200</b>	<b>15,193</b>	<b>7,420</b>
Printed works	6,947	6,947	6,947	6,947	2,503
Pictures	3,923	3,927	3,927	3,927	2,734
Other artefacts	4,370	4,330	4,326	4,319	2,183
	<b>15,240</b>	<b>15,204</b>	<b>15,200</b>	<b>15,193</b>	<b>7,420</b>

The printed works, pictures and other artefacts were revalued in November 2017 by L&J Gull, resulting in a gain on revaluation of £7.8m. The 2017 valuation includes books and printed works dated post-1840, an element not included in prior years. The 2017 valuation for this element of the collection stands at £4.8m. One asset, a Tompion Clock, was valued by Bonhams at £1m and is included within other artefacts.

The Trustees consider there to be no material impairment on the present market values/replacement values compared to those stated. Approximately £17k per annum is spent on conservation of the Heritage Assets.

Other than those movements shown above, there have been no other additions or disposals.

## 16. Fixed asset investments

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Listed investments	21,819	21,046	21,819	21,046
Investments in subsidiaries	—	—	301	301
Joint venture	118	—	118	—
	<b>21,937</b>	<b>21,046</b>	<b>22,238</b>	<b>21,347</b>

### Investments in subsidiaries comprise:

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Investments at cost in subsidiaries	—	—	1	1
Long term loans to subsidiaries	—	—	300	300
	<b>—</b>	<b>—</b>	<b>301</b>	<b>301</b>

### Listed investments

#### Listed investments

	Charity 2020 £'000	Charity 2019 £'000
Market value at 1 January	20,682	18,981
Acquisitions at cost	5,873	13,455
Disposals at book value (proceeds: £5,842k, realised gain: £207k)	(5,635)	(13,336)
Net unrealised investment gains	878	1,582
Market value at 31 December	<b>21,798</b>	<b>20,682</b>
<b>Cash held by investment managers for reinvestment</b>	<b>21</b>	<b>364</b>
	<b>21,819</b>	<b>21,046</b>
<b>Historical cost at 31 December</b>	<b>19,630</b>	<b>18,979</b>
Cumulative unrealised investment gains	<b>2,168</b>	<b>1,703</b>

An analysis of the market value of quoted investments at 31 December 2020 is as follows:

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000
Fixed interest	1,671	343	110	2,124
UK equities	6,661	1,399	551	8,611
Global equities	6,910	1,125	351	8,386
Alternatives	1,722	380	114	2,216
Property	374	61	25	460
Cash	7	14	1	22
	17,345	3,322	1,152	21,819

## Investments in subsidiaries

### Thomas Telford Limited

Thomas Telford Limited ("TTL"), a company incorporated in England and Wales (company registration number 02556636), is a wholly owned trading subsidiary of the Charity whose net profits are donated to the Charity under a Deed of Covenant. The principal activities of TTL are the publication of learned society books and quality journals, the organisation of courses, provision of contracts and ancillary services, provision of meeting facilities and ancillary services, and the operation of a job board.

At 31 December 2020 the Charity owned the entire issued share capital of 502 ordinary shares of £1 each in TTL. A summary of the results and the financial position of the company at 31 December 2020 is shown below.

#### Summary statement of income:

	2020 £'000	2019 £'000
Turnover	14,589	20,001
Cost of sales	(3,138)	(4,821)
Gross profit	11,451	15,180
Other operating charges	(9,517)	(10,500)
Operating profit	1,934	4,680
Interest receivable	6	16
Interest payable	(18)	(18)
Net result	1,922	(4,678)
Gift Aid distribution to the charity	(1,922)	(4,678)
Profit for the year	–	–

#### Summary statement of financial position and retained earnings:

	2020 £'000	2019 £'000
Fixed assets	1,283	1,154
Current assets	3,760	4,298
Current and non-current liabilities	(5,027)	(5,436)
Total net assets	16	16
Called up share capital	1	1
Retained earnings	15	15
	16	16

Included with non-current liabilities above is a long-term loan of £300k from the Charity to TTL. The loan is repayable on one year's notice and is secured by debenture over the assets of the subsidiary. The interest payable to the Charity is calculated quarterly at the daily bank rate ruling during the quarter or 6% whichever is greater.

## The Institution of Civil Engineers (Hong Kong) Limited

At 31 December 2020 the Charity owned the entire share capital of 2 ordinary shares of HKD\$1 each in The Institution of Civil Engineers (Hong Kong) Limited. A summary of the results and the financial position of the company at 31 December 2020 is shown below.

### Summary statement of income:

	2020 £'000	2019 £'000
Income	520	598
Expenditure	(486)	(540)
Profit on ordinary activities before taxation	34	58
Income tax credit (charge)	1	(6)
Profit for the year	33	52

### Summary statement of financial position and retained earnings:

	2020 £'000	2019 £'000
Fixed assets	8	4
Current assets	261	229
Current liabilities	(11)	(8)
Total net assets	258	225
Retained earnings	258	225

### Joint venture

The investment in the joint venture represents the Charity's investment in Structural-Safety Limited ("SSL"), a company incorporated in England and Wales (company registration number 11750936) on 4 January 2019. SSL is a company limited by guarantee and it has two members, the Institution of Civil Engineers and the Institution of Structural Engineers ("IStructE"). In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

SSL was dormant for the period ended 31 December 2019 and commenced trading during the year ended 31 December 2020. A summary of the results and the financial position of the company at 31 December 2020 is shown below.

### Summary statement of income:

	2020 £'000
Income	402
Expenditure	(147)
Profit on ordinary activities before taxation	255
Gift Aid distribution to members	(20)
Profit for the year	235

### Summary statement of financial position and retained earnings

	2020 £'000	2019 £'000
Fixed assets	162	–
Current assets	156	–
Current liabilities	(83)	–
Total net assets	235	–

The total net assets are represented by retained net profits. The retained net profits are shared equally by the two partners. As such, the investment by the Charity as at 31 December 2020 comprises:

	2020 £'000	2019 £'000
Investment at 1 January	–	–
Share of profits in the year	128	–
Gift aid distribution received	(10)	–
Investment at 31 December	118	–

## 17. Stocks

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Raw materials and consumables	27	40	–	–
Finished goods and good for resale	289	365	–	–
	<b>316</b>	<b>405</b>	<b>–</b>	<b>–</b>

## 18. Debtors

Amounts falling due within one year

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Trade debtors	2,798	3,129	644	937
Amount owed by subsidiary undertakings	–	–	734	826
Other debtors	272	266	189	232
Prepayments and accrued income	1,063	941	914	683
Taxes recoverable	78	–	78	–
	<b>4,211</b>	<b>4,336</b>	<b>2,559</b>	<b>2,678</b>

Included within the amount owed by subsidiary undertakings is a loan of £300k (2019: £300k) to Thomas Telford Limited. Interest is payable on the loan and is calculated quarterly at the bank base rates ruling during the quarter or 6%, whichever is the greater.

## 19. Creditors: amounts falling due within one year

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Trade creditors	1,352	1,610	883	940
Amount owed to subsidiary undertakings	–	–	162	129
Taxation and social security	366	551	363	549
Other creditors	443	474	392	365
Accruals	1,150	1,091	628	542
Deferred income	7,467	6,898	4,775	4,082
Loan falling due within one year	429	432	429	432
	<b>11,207</b>	<b>11,056</b>	<b>7,632</b>	<b>7,039</b>

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
<b>Deferred Income</b>				
Balance at 1 January	6,898	6,690	4,082	3,434
Amounts released from previous years	(6,898)	(6,690)	(4,082)	(3,434)
Resources deferred in the year	7,467	6,898	4,775	4,082
Balance at 31 December	<b>7,467</b>	<b>6,898</b>	<b>4,775</b>	<b>4,082</b>

Deferred income includes income from membership subscriptions, journal subscriptions, training, and catering and room hire received in advance.

## 20. Creditors: amounts falling due after one year

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Deferred income	268	173	—	—
Loan falling due after one year	206	635	206	635
	<b>474</b>	<b>808</b>	<b>206</b>	<b>635</b>

### *The loan is repayable as follows:*

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Within one year	429	432	429	432
Between two and five years	206	635	206	635
	<b>635</b>	<b>1,067</b>	<b>635</b>	<b>1,067</b>

In December 2010, the Trustees approved a loan for £4.0m with HSBC Bank plc for the refurbishment of Eight Storey's Gate. The term of the loan is eleven years to be repaid in equal monthly instalments until May 2022. Interest is incurred at 2.25% over the Bank of England Sterling Base Rate. Repayments of £38k per month inclusive of interest commenced in June 2012 and decreased to £37k per month from October 2020. The loan is secured by a first charge on the property at One Great George Street and is fully drawn.

## 21. Operating lease commitments

Minimum lease payments under non-cancellable operating leases for photocopiers and office rental which expire:

Group	Other 2020 £'000	Other 2019 £'000	Land and buildings 2020 £'000	Land and buildings 2019 £'000
Within one year	10	10	125	138
Between one and two years	—	—	49	40
Between two and five years	—	—	17	44
	<b>10</b>	<b>10</b>	<b>191</b>	<b>222</b>

Charity	Other 2020 £'000	Other 2019 £'000	Land and buildings 2020 £'000	Land and buildings 2019 £'000
Within one year	9	9	88	114
Between one and two years	—	—	28	40
Between two and five years	—	—	17	44
	<b>9</b>	<b>9</b>	<b>133</b>	<b>198</b>

At 31 December 2020 the Group had total commitments under operating leases of £201k (2019: £232k).

## 22. Contingent liabilities

The Group and Charity had no contingent liabilities at 31 December 2020 or 31 December 2019.

## 23. Capital commitments

At 31 December 2020 the Group and Charity had the following capital commitments in respect to the development of computer software:

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Authorised, but not contracted	1,265	—	1,265	—
Contracted for, but not provided in the financial statements	157	45	—	—
	<b>1,422</b>	<b>45</b>	<b>1,265</b>	<b>—</b>

## 24. Pension Schemes

### Defined benefit pension schemes

Benefits under the defined benefit pension scheme ("the scheme"), which closed to new members in February 2002, are based on employees' final remuneration and length of service. The scheme closed to future service accrual on 30 November 2010.

The pension expense charged to the statement of financial activities makes no allowance for actuarial gains and losses during the year. Actuarial gains and losses are recognised separately in the statement of financial activities in the year in which they occur.

	2020 £'000	2019 £'000
<b>Group and charity</b>		
<b>Components of pension cost</b>		
Net interest income	(125)	(126)
Total pension income recognised in the statement of financial activities	(125)	(126)
Actuarial (gains) losses immediately recognised	(1,876)	(1,199)
<b>Amounts recognised in the balance sheet</b>		
Present value of funded obligation	(49,778)	(46,616)
Fair value of plan assets	58,270	52,607
<b>Pension scheme asset</b>	<b>8,492</b>	<b>5,991</b>
<b>Change in benefit obligation</b>		
Benefit obligation at 1 January	46,616	43,363
Interest cost	917	1,215
Actuarial (gains) losses	5,613	5,045
Benefits paid	(1,504)	(1,445)
Experience (gains) losses on liabilities	699	(402)
Changes to demographic assumptions	(2,563)	(1,160)
<b>Benefit obligation at 31 December</b>	<b>49,778</b>	<b>46,616</b>
<b>Change in plan assets</b>		
Fair value of plan assets at 1 January	52,607	47,529
Interest on assets	1,042	1,341
Actuarial gains (losses)	5,625	4,682
Employer contributions	500	500
Administration costs	—	—
Benefits paid	(1,504)	(1,445)
<b>Fair value of plan assets at 31 December</b>	<b>58,270</b>	<b>52,607</b>
<b>Actual return on plan assets</b>	<b>6,667</b>	<b>6,023</b>
<b>Funded status and net amount recognised</b>	<b>8,492</b>	<b>5,991</b>

The most recent triennial actuarial valuation as at 31 December 2019 showed a deficit of £2.0m.

	2020 £'000	2019 £'000
<b>Fund assets</b>		
The weighted average asset allocation at the year-end was as follows:		
Equities	21.0%	22.3%
Corporate Bonds	15.0%	15.7%
Diversified Growth	22.0%	23.1%
Liability-Driven Investment	28.3%	22.5%
Cash	13.7%	16.4%
	<b>100.0%</b>	<b>100.0%</b>



## Principal Actuarial Assumptions

	2020	2019
Discount rate	1.25%	2.00%
Inflation (RPI)	3.15%	3.20%
Inflation (CPI)	2.35%	2.40%
Salary increases	2.85%	2.90%
Pension increases (RPI capped at 5%)	3.00%	3.10%
Pension increases (RPI capped at 5% with 3% floor)	3.50%	3.60%
Commutation	20% of total pension	
Life expectancy at age 65 of male aged 45	22.9	24.1
Life expectancy at age 65 of male aged 65	21.6	22.8

Mortality assumptions used in 2020 are based upon 108% of the S3PMA tables for male members and 99% of the S3PFA series tables for female members. Mortality assumptions in 2019 are based upon 85% of the S2NA series tables for both male and female members. Future improvements are assumed to be in line with the CMI projection model, assuming improvements have peaked. The long-term improvement is assumed to be 1.25% p.a. (2019: 1.25% p.a.), with a default smoothing parameter reflecting a decline at older ages.

## Five year history

	2020 £'000	2019 £'000	2018 £'000	2017 £'000	2016 £'000
Benefit obligation at 31 December	49,778	46,616	43,363	46,293	48,732
Fair value of plan assets at 31 December	58,270	52,607	47,529	50,199	46,997
<b>Asset (deficit)</b>	<b>8,492</b>	<b>5,991</b>	<b>4,166</b>	<b>3,906</b>	<b>(1,735)</b>

## Contributions

The Charity contributed £0.5m to the scheme in the year to 31 December 2020. Contributions to be paid to the scheme during the annual period beginning after the reporting period are expected to be £0.5m. In addition, administrative and other expenses of the Scheme and the Pension Protection Fund levy are payable separately by the Institution.

## Group Personal Pension

The GPP was introduced for employees on 1 October 2010 with members of the defined contribution scheme joining on this date and members of the defined benefit scheme joining on 1 December following closure to future accrual of that scheme. The pension cost for this scheme for 2020 was £854k (2019: £804k).

## 25. Analysis of net assets between funds

Group	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2020 £'000
Fixed assets	–	43,970	–	–	43,970
Investments	16,913	550	3,322	1,152	21,937
Current assets	6,856	4,489	1,275	–	12,620
Creditors: amounts falling due within one year	(7,529)	(3,576)	(102)	–	(11,207)
Creditors: amounts falling due after one year	(206)	(268)	–	–	(474)
Defined benefit pension scheme asset	–	8,492	–	–	8,492
	16,034	53,657	4,495	1,152	75,338

Charity	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2020 £'000
Fixed assets	–	42,679	–	–	42,679
Investments	17,214	550	3,322	1,152	22,238
Current assets	6,556	1,663	1,275	–	9,494
Creditors: amounts falling due within one year	(7,530)	–	(102)	–	(7,632)
Creditors: amounts falling due after one year	(206)	–	–	–	(206)
Defined benefit pension scheme asset	–	8,492	–	–	8,492
	16,034	53,384	4,495	1,152	75,065

**Comparative information for prior year:**

Group	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2019 £'000
Fixed assets	–	44,401	–	–	44,401
Investments	16,138	413	3,402	1,093	21,046
Current assets	5,833	3,511	1,040	–	10,384
Creditors: amounts falling due within one year	(6,936)	(4,016)	(104)	–	(11,056)
Creditors: amounts falling due after one year	(635)	(173)	–	–	(808)
Defined benefit pension scheme asset	–	5,991	–	–	5,991
	14,400	50,127	4,338	1,093	69,958

Charity	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2019 £'000
Fixed assets	–	43,243	–	–	43,243
Investments	16,439	413	3,402	1,093	21,347
Current assets	5,531	240	1,040	–	6,811
Creditors: amounts falling due within one year	(6,935)	–	(104)	–	(7,039)
Creditors: amounts falling due after one year	(635)	–	–	–	(635)
Defined benefit pension scheme asset	–	5,991	–	–	5,991
	14,400	49,887	4,338	1,093	69,718

## 26. Reserves

Group	1 January 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	31 December 2020 £'000
<b>Unrestricted funds</b>						
General fund	14,400	31,804	(28,655)	(2,383)	868	16,034
Designated funds						
Funds retained in subsidiaries	240	–	–	33	–	273
Funds retained in joint venture	–	118	–	–	–	118
Kenneth Watson Travel Award	413	5	(2)	–	16	432
Shaping the World	240	–	–	–	–	240
Fixed Assets fund	35,474	–	(1,063)	467	–	34,878
Software development fund	–	–	–	1,423	–	1,423
Revaluation reserve	7,769	–	–	–	32	7,801
Pension reserve	5,991	125	–	500	1,876	8,492
	64,527	32,052	(29,720)	40	2,792	69,691
<b>Restricted funds</b>						
Shaping the World	34	3	(10)	–	–	27
Shaping the World Capital Appeal	–	40	–	(40)	–	–
Into Civil Engineering	272	7	(60)	–	–	219
Research and Development Enabling Fund	517	111	(121)	–	–	507
Innovation and Research Focus	24	–	–	–	–	24
Infrastructure Client Group	72	127	(82)	–	–	117
David Butler Education & Inspiration Fund	80	32	–	–	–	112
Queen's Jubilee Scholarship Trust	2,590	669	(642)	–	104	2,721
Trust Funds	749	25	(44)	–	38	768
	4,338	1,014	(959)	(40)	142	4,495
<b>Endowment funds</b>	1,093	–	–	–	59	1,152
Trust funds	1,093	–	–	–	59	1,152
	69,958	33,066	(30,679)	–	2,993	75,338

Charity	1 January 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains / (losses) £'000	31 December 2020 £'000
<b>Unrestricted funds</b>						
General fund	14,400	21,314	(18,198)	(2,350)	868	<b>16,034</b>
Designated funds						
Funds retained in joint venture	–	118	–	–	–	<b>118</b>
Kenneth Watson Travel Award	413	5	(2)	–	16	<b>432</b>
Shaping the World	240	–	–	–	–	<b>240</b>
Fixed Assets fund	35,474	–	(1,063)	467	–	<b>34,878</b>
Software development fund	–	–	–	1,423	–	<b>1,423</b>
Revaluation reserve	7,769	–	–	–	32	<b>7,801</b>
Pension reserve	5,991	125	–	500	1,876	<b>8,492</b>
	<b>64,287</b>	<b>21,562</b>	<b>(19,263)</b>	<b>40</b>	<b>2,792</b>	<b>69,418</b>
<b>Restricted funds</b>						
Shaping the World	34	3	(10)	–	–	<b>27</b>
Shaping the World Capital Appeal	–	40	–	(40)	–	<b>–</b>
Into Civil Engineering	272	7	(60)	–	–	<b>219</b>
Research and Development Enabling Fund	517	111	(121)	–	–	<b>507</b>
Innovation and Research Focus	24	–	–	–	–	<b>24</b>
Infrastructure Client Group	72	127	(82)	–	–	<b>117</b>
David Butler Education & Inspiration Fund	80	32	–	–	–	<b>112</b>
Queen's Jubilee Scholarship Trust	2,590	669	(642)	–	104	<b>2,721</b>
Trust Funds	749	25	(44)	–	38	<b>768</b>
	<b>4,338</b>	<b>1,014</b>	<b>(959)</b>	<b>(40)</b>	<b>142</b>	<b>4,495</b>
<b>Endowment funds</b>	<b>1,093</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>59</b>	<b>1,152</b>
Trust funds	<b>1,093</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>59</b>	<b>1,152</b>
	<b>69,718</b>	<b>22,576</b>	<b>(20,222)</b>	<b>–</b>	<b>2,993</b>	<b>75,065</b>

### Unrestricted funds

The general fund totalling £16,034k (2019: £14,400k) represents that element of the reserves of the Charity which have not been designated for any specific purpose. Transfers from the general fund into the pension reserve during the year reflect employer contributions to the defined benefit pension scheme of £0.5m (2019: £0.5m).

### Funds retained in subsidiaries

This fund represents the net assets of the Group which are retained within the subsidiaries and which are not available to the Charity for its ongoing work.

### Funds retained in joint venture

This fund represents the net assets of the Group which are retained within the joint venture, Structural-Safety Limited, and which are not available to the Charity for its ongoing work.

### Kenneth Watson Travel Award (Quest)

The Kenneth Watson Travel Award is part of the Quest awards for young engineering scholars. At current estimation, it will be able to continue to award grants for at least another 20 years.

### Fixed assets fund

The fixed asset fund represents the net book value of the Charity's intangible fixed assets, tangible fixed assets and heritage assets, less the amount carried in the revaluation reserve. Transfers to the fund represent the cost of additions in the year. The fixed assets are essential to the ongoing work of the Charity, as without them the Charity's work would not be possible. As such their net book values should not be regarded as realisable in order to meet ongoing expenditure or contingencies.

The balance of this fund excludes the net book value of the fixed assets which are owned by subsidiary undertakings and which are included within the funds retained in subsidiaries.

### Software development fund

This fund represents the amount designated towards the capital costs of the development of the replacement membership management system and other computer software.

## Restricted funds

### Shaping the World

Shaping the World funding consists of two elements, with both designated and restricted funding: Shaping the World and the Shaping the World Capital Appeal. The non-capital element of both the designated and restricted funding is uncommitted against future expenditure.

The capital element specifically refers to the money received towards, and costs incurred on, the Infrastructure Learning Hub as part of the major capital project conducted on One Great George Street between 2015 and 2016. The cost of the Infrastructure Learning Hub is significantly greater than the funding received to date. During the year donations of £40k (2019: £85k) were received as a contribution towards costs that were incurred in previous years. These donations have been recognised as income in restricted funds and, as the money has already been spent, subsequently transferred to unrestricted funds. No further contributions are expected in future years.

### Into Civil Engineering

The purpose of the Into Civil Engineering fund is to award scholarships to young people living in Scotland studying civil engineering.

### Research and Development Enabling

The Research and Development Enabling fund was formed to support research and development by engineers and organisations outside the research field, to enable them to obtain funds from other sources.

### Innovation and Research Focus

Contributions to Innovation and Research Focus had been obtained from various organisations and used to produce a quarterly research newsletter which is distributed to all corporate members. No activity took place in 2020, and there are plans to review the contingents in 2021.

### Infrastructure Client Group

The Infrastructure Client Group ("ICG") is a group made up of experts from a range of sectors which was formed to help support the implementation of the UK Government's *Infrastructure Cost Review Report 2010*. The ICE's support to this group was formalised during 2018. The fund represents monies received from members of the ICG as a contribution towards the activities coordinated by the Institution.

### David Butler Education & Inspiration Fund

The David Butler Education & Inspiration Fund represents monies received to be used in developing interactive resources to extend the ICE's engagement with school children and young children, particularly in the 16-18 age range.

### Queen's Jubilee Scholarship Trust

The purpose of the Queen's Jubilee Scholarship Trust ("QUEST") is to award scholarships to civil engineering students, or travel awards to enable members to participate in voluntary work overseas or professional development grants to enable members in mid-career to acquire new skills or knowledge.

## Endowment funds

### Trust Funds

The Trust Funds comprise 41 separate funds created by trust deed at various times and their capital is permanent endowment. Prizes and awards for achievement in civil engineering are made from the investment income in accordance with the terms of each Trust Fund and accounted for within Restricted funds.

### Comparative information for prior year:

Group:	1 January 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	31 December 2019 £'000
<b>Unrestricted funds</b>						
General fund	10,902	36,151	(33,412)	(1,133)	1,892	14,400
Designated funds						
Retained in subsidiary	15	—	—	225	—	240
Kenneth Watson Travel Award	368	6	(10)	—	49	413
Shaping the World	240	—	—	—	—	240
Tangible Fixed Assets fund	36,072	—	(1,091)	493	—	35,474
Revaluation reserve	7,769	—	—	—	—	7,769
Pension reserve	4,166	126	—	500	1,199	5,991
	59,532	36,283	(34,513)	85	3,140	64,527
<b>Restricted funds</b>						
Shaping the World	37	4	(7)	—	—	34
Shaping the World Capital Appeal	—	85	—	(85)	—	—
Into Civil Engineering	329	1	(58)	—	—	272
Research and Development Enabling Fund	460	115	(58)	—	—	517
Innovation and Research Focus	28	—	(4)	—	—	24
Infrastructure Client Group	70	92	(90)	—	—	72
David Butler Education & Inspiration Fund	—	80	—	—	—	80
Queen's Jubilee Scholarship Trust	2,510	514	(801)	—	367	2,590
Trust Funds	681	30	(46)	—	84	749
	4,115	921	(1,064)	(85)	451	4,338
<b>Endowment funds</b>						
Trust funds	966	—	—	—	127	1,093
	966	—	—	—	127	1,093
	64,613	37,204	(35,577)	—	3,718	69,958

Charity:	1 January 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains / (losses) £'000	31 December 2019 £'000
<b>Unrestricted funds</b>						
General fund	10,902	23,835	(21,321)	(908)	1,892	14,400
Designated funds						
Kenneth Watson Travel Award	368	6	(10)	—	49	413
Shaping the World	240	—	—	—	—	240
Tangible Fixed Assets fund	36,072	—	(1,091)	493	—	35,474
Revaluation reserve	7,769	—	—	—	—	7,769
Pension reserve	4,166	126	—	500	1,199	5,991
	59,517	23,967	(22,422)	85	3,140	64,287
<b>Restricted funds</b>						
Shaping the World	37	4	(7)	—	—	34
Shaping the World Capital Appeal	—	85	—	(85)	—	—
Into Civil Engineering	329	1	(58)	—	—	272
Research and Development Enabling Fund	460	115	(58)	—	—	517
Innovation and Research Focus	28	—	(4)	—	—	24
Infrastructure Client Group	70	92	(90)	—	—	72
David Butler Education & Inspiration Fund	—	80	—	—	—	80
Queen's Jubilee Scholarship Trust	2,510	514	(801)	—	367	2,590
Trust Funds	681	30	(46)	—	84	749
	4,115	921	(1,064)	(85)	451	4,338
<b>Endowment funds</b>						
Trust funds	966	—	—	—	127	1,093
	966	—	—	—	127	1,093
	64,598	24,888	(23,486)	—	3,718	69,718

## 27. Funds held on behalf of others

The Institution provides administrative services to fourteen Specialist Knowledge Societies, closely affiliated membership bodies with interests in specialist areas of civil engineering. The Institution is a custodian trustee of funds for nine of these Societies (2019: nine), which have trustees separate and independent from the Institution, but where the Institution holds the Society's funds on their behalf.

At 31 December 2020 the funds held by the Institution had a combined balance of £695k (2019: £389k).

## Boards, committees and panels

<b>Members of Council</b>	Rachel Skinner (President)	Njemile Faustin
<b>(2020-2021 session)</b>	Paul Sheffield CBE (Immediate Past President)	David Hirst (Yorkshire and Humber)
	Edward McCann (Senior Vice President)	Ken Ho (Hong Kong)
	Andrew Alder	Mark Jamieson (Middle East and Africa)
	Jeffrey Ashurst (North West)	Sarah Jones (Wales)
	Yvonne Aust (West Midlands)	Giedre Jurkonyte
	Richard Bayfield	Julian Lineham (Americas)
	John Beck	Jose Lores (Europe and Central Asia)
	Edward Bingham (East Midlands)	Paul Mitchelmore (East of England)
	Julie Bregulla	Brenda O'Loan (Northern Ireland)
	Norman Brent (South East)	David Porter
	Kate Cairns	Lucy Rew
	Gillian Castka	Steven Robertson (Scotland)
	Norman Chan	Neil Sandberg
	Matthew Colton (Asia Pacific excl Hong Kong)	Sally Walters
	Martin Crapper	Julie Wood
	Gary Cutts (South West)	Ben Weller
	Blessing Danha	Graham Yates (North East)
	Ryan Doolan	Yan Zhou (London)

The following served as members of Council until their retirement in November 2020:

Andrew Wyllie CBE	Zoë Henderson
Karen Britton	Emma Kent
Patrick Chan (Hong Kong)	Stephen Larkin (North East)
Stephen Dellow	Geoffrey Ogden (Wales)
Richard Giffen (Americas)	Gareth Walker

The Chairs of the main standing and operational Committees at the date of the signing of this report were:

<b>Committee</b>	
<i>Nominations</i>	Lord Robert Mair
<i>Membership Committee</i>	Edward McCann
<i>Learning Society</i>	Richard Threlfall
<i>Policy and External Affairs</i>	Keith Howells
<i>UK Regional Affairs</i>	Emer Murnaghan
<i>International Regions</i>	Dr Sabih Khisaf
<i>Finance, Assurance and Risk</i>	Andrew Alder
<i>Remuneration</i>	Professor Tim Broyd
<i>Audit</i>	David Porter

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