

IET Trustees'

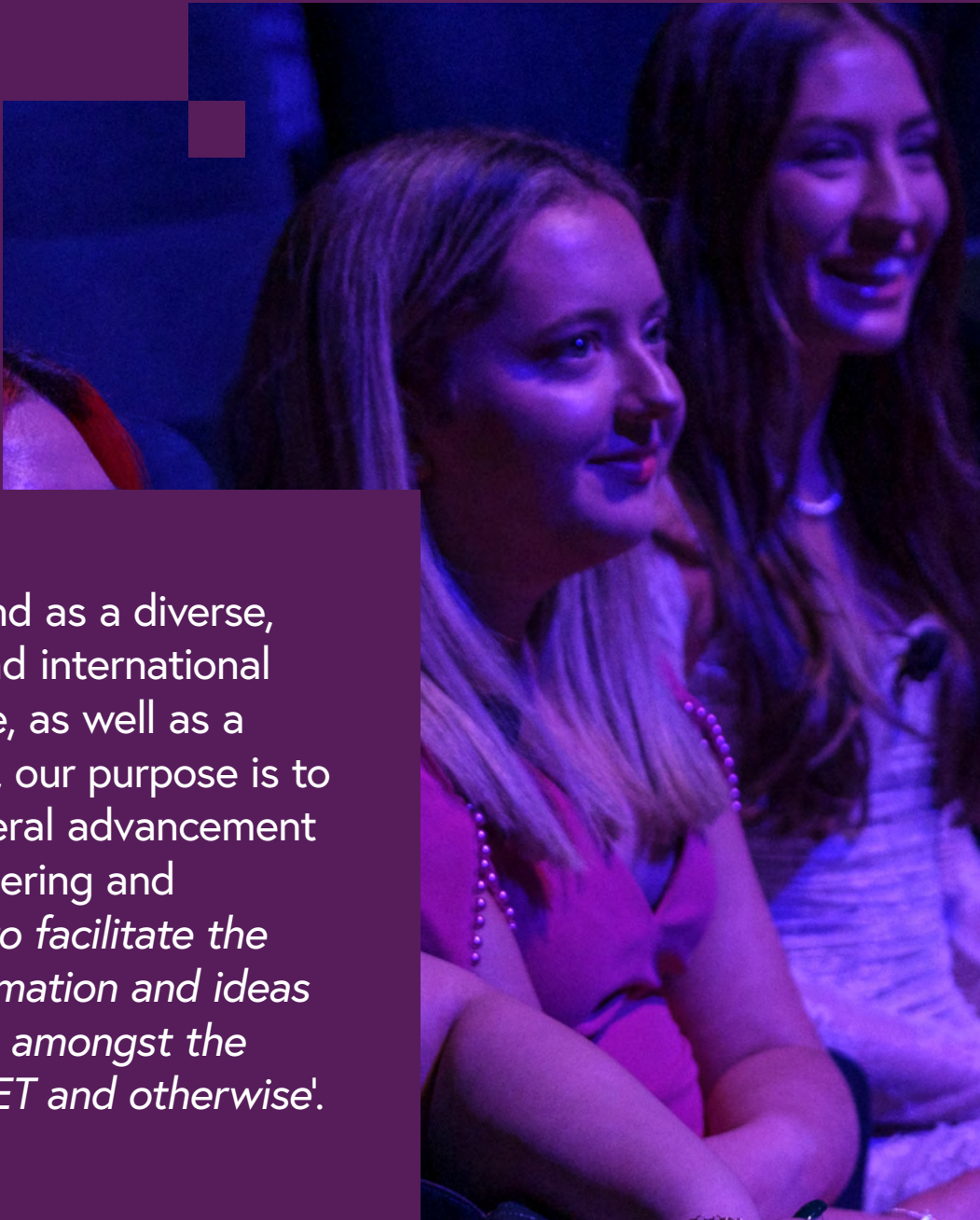
Annual Report and Accounts

2023



Year ended
31 December 2023





We are the IET, and as a diverse, multi-discipline and international professional home, as well as a registered charity, our purpose is to 'promote the general advancement of science, engineering and technology' and *'to facilitate the exchange of information and ideas on these subjects amongst the members of the IET and otherwise'*.



The IET, its members and volunteers therefore work with other stakeholders in our space to inspire, inform and influence the global engineering community, supporting technology innovation to meet the needs of society.

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Report of the Trustees

Engineering a better world for society is a vital and pressing task. To make a real difference, we need to remain one of the most trusted professions at the forefront of delivering innovative solutions to societal challenges, and the opportunities they present, be it sustainability or digital transformation.

We are focused on our role in supporting the science, engineering and technology sectors to maintain this positive impact and are committed to driving fundamental change. We are two years into our ambitious strategy which focuses on how we can remain agile as we deliver these goals, ensure we are continuously listening to our stakeholders and evolve our Institution to increase our impact and value to society. And our audiences are growing; at the end of 2023 we had over 156,000 members in 143 countries, making us a truly international organisation and a trusted voice within our profession all around the world. In 2023, we also grew our number of new Engineering Council registrants by 16% to 2,387, compared with the 2,053 registered in 2022.

In 2023, we welcomed our new President, Dr Gopichand Katragadda, a globally renowned expert in Artificial Intelligence (AI). As well as holding his inaugural Address from IET London: Savoy Place, he held the first IET Presidential Address in Bengaluru, at a time when India is set to become a growing contributor to AI and software development. Over the last year, we have continued to develop our work around engineering excellence both in the UK and throughout the world, building our connections with organisations that are dedicated to developing, encouraging and supporting their engineers and technicians. The growth of our partnership community now sees us working with over 260 corporate partners, supporting some of the largest companies in the world with the professional development of their valued workforce.

We also want to be recognised as a leading provider of workplace solutions and share world-class guidance and insights to enable effective and innovative research and learning. Our Open Access journey continues, with a total of nine IET journals receiving their first Impact Factors in 2023, demonstrating our commitment to publishing high-quality research. Ten new journal launches are also planned in 2024 and 2025 and we are delivering better and faster impact


for researchers with 27.6 million full-text downloads, equalling an 800% increase in usage across the portfolio since the transition to Gold Open Access in January 2021. As well as our extensive academic journals and books collection, our events portfolio expanded and we ran, amongst others, our first 6G conference which brought together regulators, policy makers, Government representatives, leading industry representatives and researchers worldwide, to share their vision and roadmap for 6G tech.

Our focus on skills, learning and networks reflects our commitment to inspire and support engineers to sustain their professional development, knowledge and abilities throughout their career. Throughout 2023, we embedded our newly established mentor programme, a service we are pleased to be able to offer for free to our members, to help them excel in the next stage of their professional journey. We've also supported organisations with Equality, Diversity and Inclusion (EDI) initiatives such as our Inclusive Thinking campaign and industry research to advance action, as well as co-running the annual REflect event, where we look to inspire young people from diverse ethnic backgrounds into science, technology, engineering and maths (STEM) careers. Since the year-end we have also welcomed Women into Science and Engineering (WISE) into the IET family to help deliver more impact on gender parity.

We were also proud to launch the Future Talent Awards and celebrated the first cohort of IET Launch and Boost Scholarships. These replaced our Diamond Jubilee Scholarships and Engineering Horizons Bursaries to better reflect the current needs of society and the engineering sector, helping students, degree apprentices and apprentices from all backgrounds and circumstances onto the engineering career ladder, and to keep on climbing.

Our support for the next generation spans the globe; our IET India Scholarship Award rewards and celebrates excellence and innovation amongst undergraduate engineering students with great success, and donations to the Futures Fund helped support the delivery of our education programmes - you can read more about these initiatives within the Report.

We know that not enough young people are choosing to study engineering or pursue careers in our profession. From market research, one of the major factors that needs to be addressed is that young people are not exposed to engineering during their primary and secondary education.



Our UK-based 'Engineering Kids' Futures' report recommends greater effort on embedding engineering outcomes into the national curriculum and reinvigorating design and technology as a subject, to align it more closely with engineering. In October, we took these recommendations to a round table at 10 Downing Street to meet with industry leaders and parliamentarians to further our collective work.

By focusing on key issues, such as climate change, digital futures, and the needs of the profession, we can have a greater impact as the leading evidence-based voice of engineering and technology.

Building the knowledge needed to drive a skilled and sustainable workforce has been a key focus for our research projects in 2023 and we launched two national surveys - our Sultanate of Oman digital engineering skills report and our multi-region Green Skills survey - the latter we presented and explored through a series of events at the 28th United Nations Climate Change Conference (COP28) in the United Arab Emirates, in December. The development of AI also continues at pace and we are working closely with the expertise of our volunteers, members and partners to ensure we are guiding the sector to embrace the use of AI safely, to optimise its benefits and help support a resilient future, including our role as a key voice in the global media to help drive wider understanding.

We know that technology can have a huge impact on society with fantastic benefits, and the engineering profession is at the forefront of the adoption of digital technology. In March 2023, the UK Government's Online Safety Bill progressed to the House of Lords and our advocacy led to a successful amendment that obliges Ofcom to review how the Act applies to emerging technology, such as the metaverse.

It goes without saying that our progress would not be possible without the continued dedication and passion of our local communities, networks, members and volunteers, who bring expansive knowledge and credibility to our work. It has been a delight during 2023 to see the resurgence of face-to-face meetings, as COVID-19 restrictions lifted around the world and we thank all our valued volunteers for your ongoing support.

Engineers have an extraordinary history of being great problem solvers who work continuously to innovate, find new solutions and push boundaries to solve complex societal and environmental issues.

As a sector we are in a unique position to lead collaborative action – it's how we inspire tomorrow's generation with the advancements of today.



Ed Almond

Ed Almond
MSc MBA FCA FIET
IET Chief Executive and Secretary



Gopichand Katragadda

Dr Gopichand Katragadda
BE MS PhD CEng FIET
IET President

Our aims and objectives

The IET exists with the sole purpose of
Working together to engineer a better world.



Our vision is to "engineer a better world" and we seek to achieve this by pursuing our mission of "inspiring, informing and influencing the global engineering community to support technology innovation and meet the needs of society."

The IET's purpose is "to promote the general advancement of science, engineering and technology and to facilitate the exchange of information and ideas on these subjects amongst the members of the IET and otherwise."

Extract from the IET Royal Charter

Who do we work with?

We work hand in hand with a wide and varied group of stakeholders to deliver our vision and provide the support and knowledge frameworks that the engineering and technology community requires in order to fulfil its professional goals. These stakeholders and desired outcomes fit broadly into four categories.



Industry

Organisations that employ engineers and technicians; from micro-SMEs through to large, multinational companies.



Practitioner

Any practicing engineer or technician, as well as students and apprentices who are on a pathway to becoming an engineer or technician.



Academia

Learners and researchers in tertiary institutions, plus supporting roles including faculty and librarians.



Society

Anyone who is impacted by engineering and technology, including government, other Professional Engineering Institutions, and like-minded organisations.

By maintaining our focus on our audiences, the IET will remain relevant and effective in delivering the vision through our mission to inspire, inform and influence.

Our values

We work with Integrity, operating professionally and ethically to gain trust. We must be open and honest with each other and respect everyone, valuing each other's contribution. In the 21st Century, this focus on integrity also extends to valuing the work of subject matter experts and communicating their findings to the public in a manner that is easy to understand and, importantly, trust.

We work with Excellence, to deliver the highest level of service and satisfaction, using agile methods and seeking innovative solutions to add value. And our role is to continually improve and adopt best practices for the good of engineering and technology communities across the globe.

We promote and encourage Teamwork.

The IET recognises that we must continue to work together and encourage talented individuals working in our teams and in our volunteer communities. More than ever, we must be collaborative both within the IET and externally, with our remit to partner with other likeminded organisations and optimise our respective outcomes.

Our strategy

Our audiences are the reason we are here, and we put them at the heart of everything we do.

[Read our strategy.](#)



Our strategy sets the direction for the institution with the aim of increasing the positive impact for society delivered by the engineering and technology sector, while ensuring the IET remains financially sustainable.

The strategy encourages the delivery of activities which centre around our themes, which are as follows:

Engineering Excellence



We drive professionalism, standards and ethics in all areas of engineering and technology.

Engineering and technology touches everyone's lives and the safety, quality and sustainability of our community's solutions require a culture of professionalism and integrity which is recognised by society.

We believe this starts with inclusive access into engineering and technology careers via structured and more flexible routes, including apprenticeship and degrees, to provide a sound base of fundamental knowledge and practical skills which can be developed in the workplace through lifelong learning.

Membership of the IET represents a commitment to these ideals and formal recognition of professional competence provides a clear indication of personal capability, maintained through a commitment to Continued Professional Development (CPD).

With the continuous development of technology and its applications, the IET brings the engineering and technology community together to define and share best practice and develop globally recognised standards.

Skills, Learning and Networks

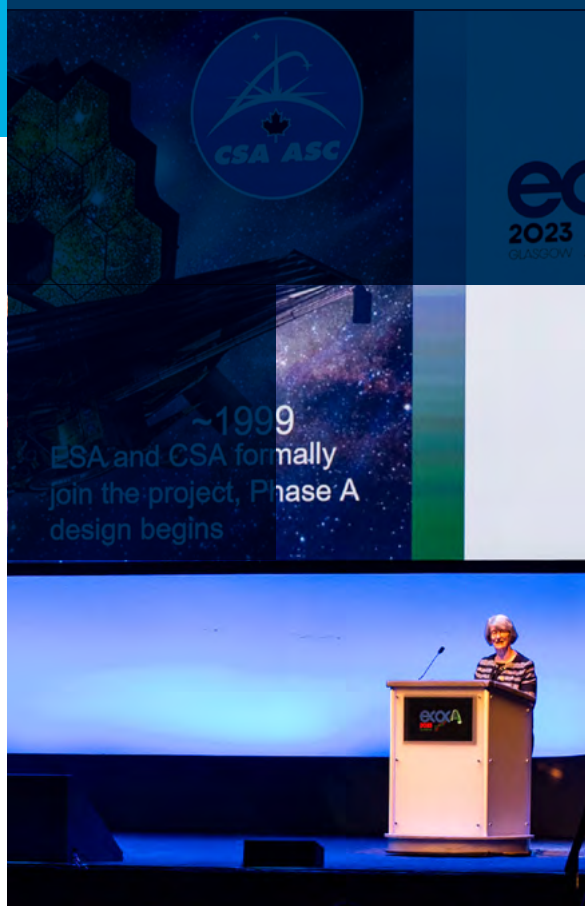


We are a facilitator for the engineering community to network, learn and share knowledge; connecting and developing people and organisations for success.

Core to the IET's purpose and activities is our support for engineering organisations, and individual engineers and technicians as they transition from education to continue developing their skills throughout their careers.

We provide the means for the engineering and technology community to interact in the manner most convenient to them. We seek to expand our reach through our events, learning and development products, online networking platforms, and mentoring activities, with the goal of bringing individuals and organisations together around both key and emerging topics.

By meeting the evolving needs of engineers and technicians as new technology is developed, connecting professionals to their peers and providing the most effective way for them to gain skills and develop as professionals, we deliver value not only to our community but to wider society.



European Conference on Optical Communication 2023

The IET hosted the 49th European Conference on Optical Communications (ECOC), which is Europe's leading conference on optical communications, and one of the most prestigious and long-standing events in the field worldwide, in October 2023 in Glasgow.

We welcomed over 1,400 attendees from 39 countries, who heard 599 presentations.

ECOC continued its tradition of offering a wide variety of session formats, and as well as the traditional oral and poster presentations, attendees enjoyed a hackathon, workshops, and the ever-popular Rump Session debate.

Social events provided a great opportunity for networking and experiencing Scottish culture in some spectacular venues.



Thought Leadership and Policy



We provide the right information at the right time, to the right people.

The IET is a leader in raising awareness of the positive impact that engineering can have on society's challenges. We do this by providing evidence-based information to policymakers when they need it and influencing them to adapt a whole-systems approach to resolve complex national and global challenges.

As an independent body we bring together experts from across sectors and subject areas to share expertise, disrupt and challenge fixed ideas, and develop innovative solutions that can inform public policy.

Our work with policymakers helps build a regulatory environment that gives the public confidence that emerging technologies are secure and can help accelerate positive societal change.



2023 Skills Survey

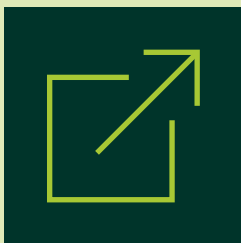
We carry out annual surveys of businesses to gauge the state of skills in the engineering and technology sector.

The 2023 IET Skills Survey: UK Summary examines the UK's ambition to be a world leader in Artificial Intelligence and sustainability and is part of a broader report outlining the international sustainability skill sector. The product of surveying over 2,000 employers around the globe, the survey examined the attitudes, skills, and technologies needed to reach net zero.

The report underlines the difficulties UK employers face in acquiring the skills they need to deliver their sustainability strategies. The results show that UK employers are missing an opportunity on digitalisation and net zero.



Find out more.



Research Solutions



We are a Learned Society of world renown
and a leader in intelligence and analytics
for the engineering and technology
research communities.

The IET supports the global science and technology research community in solving the most pressing societal challenges by providing information, intelligence, and analytics solutions. We do this through a range of journal and book publications, library and archives, and indexing and analytics tools that expose deep connections across scientific and technical literature.



Inspec: Trusted content and precision analytics

IET Inspec is a scientific and technical database with precise, expert indexing for subject-specific and interdisciplinary research in the fields of engineering, physics, and computer science.

It contains over 20 million records of research literature from hundreds of trusted global publishers, and for more than 50 years it's been an essential discovery tool to numerous prestigious institutions around the world.

Paired with Inspec Analytics, our dynamic research intelligence tool, research professionals can explore beyond the literature to uncover trends and patterns that were previously locked away, across a wide range of physics and engineering disciplines at both local and global levels.

IET Inspec

Find out more.



Education



We provide inclusive and inspiring education pathways to meet demand for engineering and technology skills.

The future health of the engineering profession is dependent on young people being aware of and interested in STEM topics. That interest needs to be maintained throughout their education to the point where they can choose to advance their own STEM knowledge through high-quality education.

Factors influencing outcomes include parental understanding and attitudes towards engineering and technology careers, representation in the curriculum, the quality of teaching provision, access to inspiring experiences and relevant careers advice.

We collaborate with other stakeholders wherever appropriate to ensure inclusive, engaging and attractive routes into engineering and technology careers.

Our strategy is delivered by the operating expertise of our staff and volunteer teams and is overseen by our Main Boards, whose responsibilities are to deliver a portfolio of products, services and solutions that support the delivery of the IET Strategy.



Downing Street Roundtable

On 19 October 2023 the IET hosted a roundtable at 10 Downing Street. The roundtable brought together professional engineering institutions, industry, and academia to discuss how engineering education can be incorporated into the UK education system to ensure we are preparing students for the future skill requirements of the STEM workforce.

Find out more.



Our operational activity

The main activities undertaken by the charity to deliver against its strategy, and which form the basis of reporting are as follows:

Knowledge-sharing

, activities to gather and distribute scholarly and professional content through a variety of physical and online channels to a global audience, drawing on the unique strengths of our membership and communities.

Education, Policy and Awareness

, activities which seek to engage young people and the wider public with the roles played by engineering, technology and science in enhancing people's lives; as well as informing Government policy formulation.

Membership and Professional Development

, activities which focus on the career-long professional development and professional registration of individuals.

Our activities are overseen by four volunteer-led Boards responsible for Equality, Diversity and Inclusion, Knowledge Services and Solutions, Volunteer Engagement, and Membership and Professional Development. These Boards, which advise the Charity's Board of Trustees, meet regularly throughout the year and reflect the collaboration of IET staff and volunteers. We also control a number of subsidiaries which enable our international operations and the trading activities which fall outside of our primary purpose.

The IET derives a suite of key performance indicators from our Strategic Framework. These metrics are reported on under the relevant areas of operational activity within this document.

In 2024, the IET will benchmark an expanded series of metrics which will help us drive improvements in the way we deliver our operational activities and serve our members and customers.



Volunteering

Our volunteers are essential to the delivery of our vision and mission.

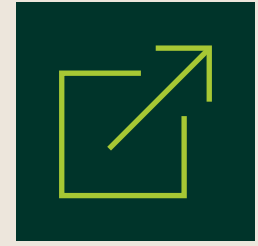
With over 40 different volunteering roles and types of engagement across the work that we deliver, the sheer breadth of skills, experience and knowledge that our volunteers provide enables the Institution to pursue and achieve a wide range of goals and help our members to adapt to and stay ahead in the dynamic world of engineering and technology.

IET volunteers make a difference across a wide range of areas including;

- Professional Registration
- Accreditation
- Community Activities
- IET Governance
- Education
- Publishing
- Professional Development
- IET Fellowship
- Mentoring



Find out more.



IET volunteering creates positive impact

Volunteering with the IET can be a life-changing experience and an opportunity for the engineering and technology community to come together and make a positive impact. If you can help us achieve our mission, please contact volunteer@theiet.org regardless of your career stage or background.

Meet Manisha



Chartered Engineer, Executive Coach
and IET Fellow Dr Manisha Morais is an
IET Fellowship Assessor.

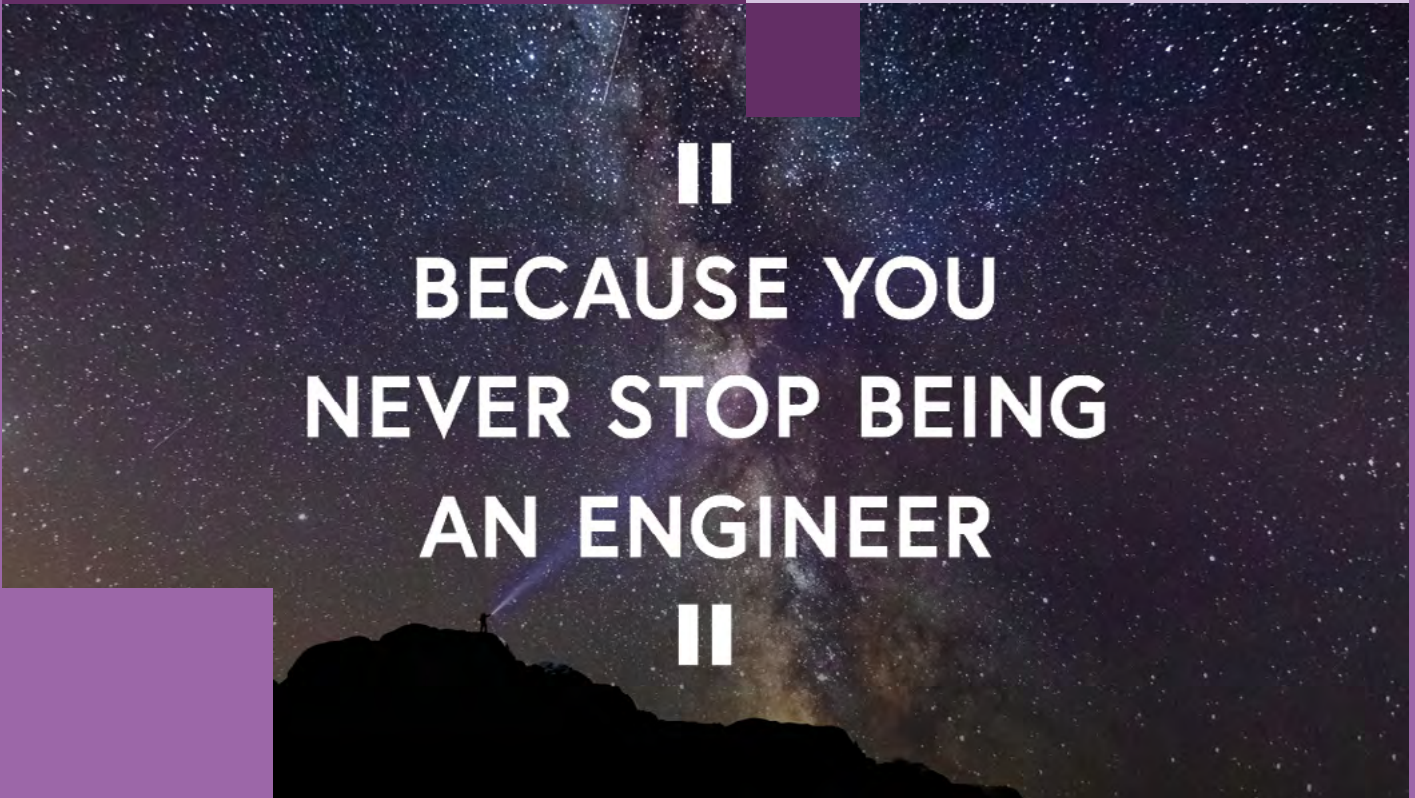
Volunteer role

When Manisha was invited to apply for an IET volunteering position, she found the idea very appealing. In July 2023 Manisha submitted an IET Fellowship Assessor application. It was successful, as was her training day, just three months later. *"I was one of the youngest trainees in the room and the only ethnic minority woman,"* she said.

Manisha put her new skills and knowledge to the test in November. *"My first Fellowship assessment gave me the opportunity to pause and to look closely at the work of a seasoned leader. It reminded me that professionals are making excellent contributions globally and that we're now able to be interconnected globally, from the comfort of our own offices."* As well as enabling her to give something back to the engineering and technology community, Manisha's Fellowship Assessor role supports her personal and professional development. She said: *"I will continue to volunteer for the IET as often as I can and will encourage others to work towards Fellowship."*

Fundraising and development

The IET Futures Fund continues to stand as a testament to our commitment to supporting and inspiring the next generation and increasing access to opportunities. From nurturing young engineering talent through our education programmes to supporting students and apprentices in their studies through IET Launch Scholarships, the Futures Fund is a key part of our purpose to engineer a better world.



II
BECAUSE YOU
NEVER STOP BEING
AN ENGINEER
II

Matched funding

During Professor Bob Cryan's Presidential year, we matched every donation to the IET Futures Fund. We achieved our target of raising £500,000 in matched funds, doubling the impact of donations.

Awards

67 students and apprentices were awarded a donor funded IET Launch scholarship in 2023 to support them with living costs associated with their studies.

Opportunity is at the heart of the awards, which support students who face financial hardship and have a passion for engineering to continue their studies. For example, 27% come from single parent families, 10% have caring responsibilities, 16% are on benefits and 14% identified as disabled or have a long-term health condition.

As well as providing vital financial support to those in need, recipients benefit from the opportunity to grow their professional network and access role models through building a direct relationship with their donors.



Education

Donations to the Futures Fund also supported the delivery of our Education programmes, IET Faraday® Challenge Days, *FIRST*® LEGO® League and our free teaching resources. In the 2022-23 academic year, these programmes reached almost 48,000 children and young people and the free STEM resources were downloaded at least 121,000 times.

Support from our funders enables us to reach out to more children and young people, particularly those from disadvantaged areas who would otherwise not have access to these opportunities and create new resources for schools.



Thank you

We rely on the support of our donors to continue to build a more inclusive profession and open up new and exciting opportunities for the engineers of tomorrow.

Presidents Partnership

Commodore Barry Brooks

BSc(Eng) FCGI CEng FIET

Professor Bob Cryan

CBE DL FEng MBA DSc CEng FIET

Mr Chris Earnshaw

OBE FEng BSc CEng FIET

Sir Alan Rudge

CBE KB PhD FEng FRS CEng HonFIET

Sir Robin Saxby

FEng FRS BEng CEng HonFIET

Mr Keith Thrower

OBE FEng CEng FIET

In 2023, thanks to our supporters, £593,244 was pledged from individuals, trusts and foundations and companies who have generously invested their time and money to support our programmes.

Individuals can choose to donate to "Take Your Place" where a gift of £750 or £1,500 is recognised with an engraved block or seat plaque at IET London: Savoy Place. We are pleased to honour those who kindly leave a legacy to the IET with an engraved block, with the permission of family or executors.

Donations from companies, charitable trusts and foundations reflect our shared goals and joint commitments to society, diversity, inclusion and social mobility.

We would like to thank our generous donors for helping to support the next generation of engineers.

We would also like to thank the many individual IET members and others who have kindly supported the Futures Fund through online and text donations. Every pound donated to the IET Futures Fund goes directly to support the delivery of our education and awards programmes.

With special thanks to our donors whose funding was utilised in 2023

A G Manly Charitable Trust
Eland Cables
Pamela and David Rollin Foundation
Altran UK / Capgemini
The Engineers Trust
Peter Jost Foundation
Arm
ERA Foundation
R C Snelling Charitable Trust
Bechtel
Ford Motor Company Fund
Reece Foundation
Belling Charitable Settlement
GKN Automotive Innovation Centre
Rees Jeffrey's Road Fund
The Bugatti Trust
HDR UK Fund
Sage Foundation

Sir George Buckley HonFIET
Hotpoint
Science Foundation Ireland
BT
The Ironmongers' Company
Siemens
Caterpillar Inc.
Isles of Scilly Charitable Trust
Society of Motor Manufacturers and Traders Limited (SMMT)
Chelton LEGO Foundation
Spirax-Sarco Engineering
Chemring Group PLC
Lujenna Educational Trust
Stanley Black & Decker
Costain MacRobert Trust
Synoptix

Cundall National Grid
Thales Holdings UK
David Family Foundation National Grid ESO
Kathleen and Graham Tubbs FIET
Digital Xtra Fund National Instruments
UKRI Trustworthy Autonomous Systems (TAS) Hub
Edgar Lee Foundation
Network Rail
Wates Family Enterprise Trust
Mrs Weiss and Professor Bernard Weiss HonFIET

Fundraising statement

Section 162A of the Charities (Protection and Social Investment) Act 2016 requires charities of a certain size to make a statement regarding fundraising activities in their Annual Report.

The IET invests in the future of our sector by ensuring that our programmes for children, undergraduates and apprentices are offered each year. Alongside our investment we seek voluntary donations to enable us to increase the reach and impact of these programmes.

The IET's Development team works mainly with companies and charitable trusts and foundations which share our interests and would like to support one or more of the individual programmes. We are also fortunate to have the support of many individuals who can choose to fund an individual programme or all, through a donation to the Futures Fund.

Most personal donations are generated from direct mailing or email communications to our members. Individuals give mainly through an online platform (Enthuse) which is registered with the Fundraising Regulator. The IET uses Enthuse, which enables us to receive and process donations and gift aid efficiently.

We do not use professional fundraisers or commercial participators to fundraise on our behalf.

The Institution of Engineering and Technology is registered with the Fundraising Regulator and complies with all the relevant standards set out in the Code of Fundraising Practice. This includes ensuring staff exhibit behaviour of a high standard when it comes to informing donors and treating people fairly, especially those who are vulnerable as defined by the code.

- We carry out due diligence on donations to our programmes.
- We have received no complaints in relation to fundraising activities.

Our Development Team reports to a Deputy President (or equivalent), and the Chief Executive and Secretary, who, along with the Institution's Executive team, are directly responsible to the Board of Trustees. An Impact Report is submitted to the Board of Trustees each year and made publicly available to highlight the breadth and depth of the work.

Knowledge sharing

Delivering world-class knowledge products and services.

Engineers and technology professionals work in a variety of environments and require information and channels for discussion in a variety of formats, on demand.

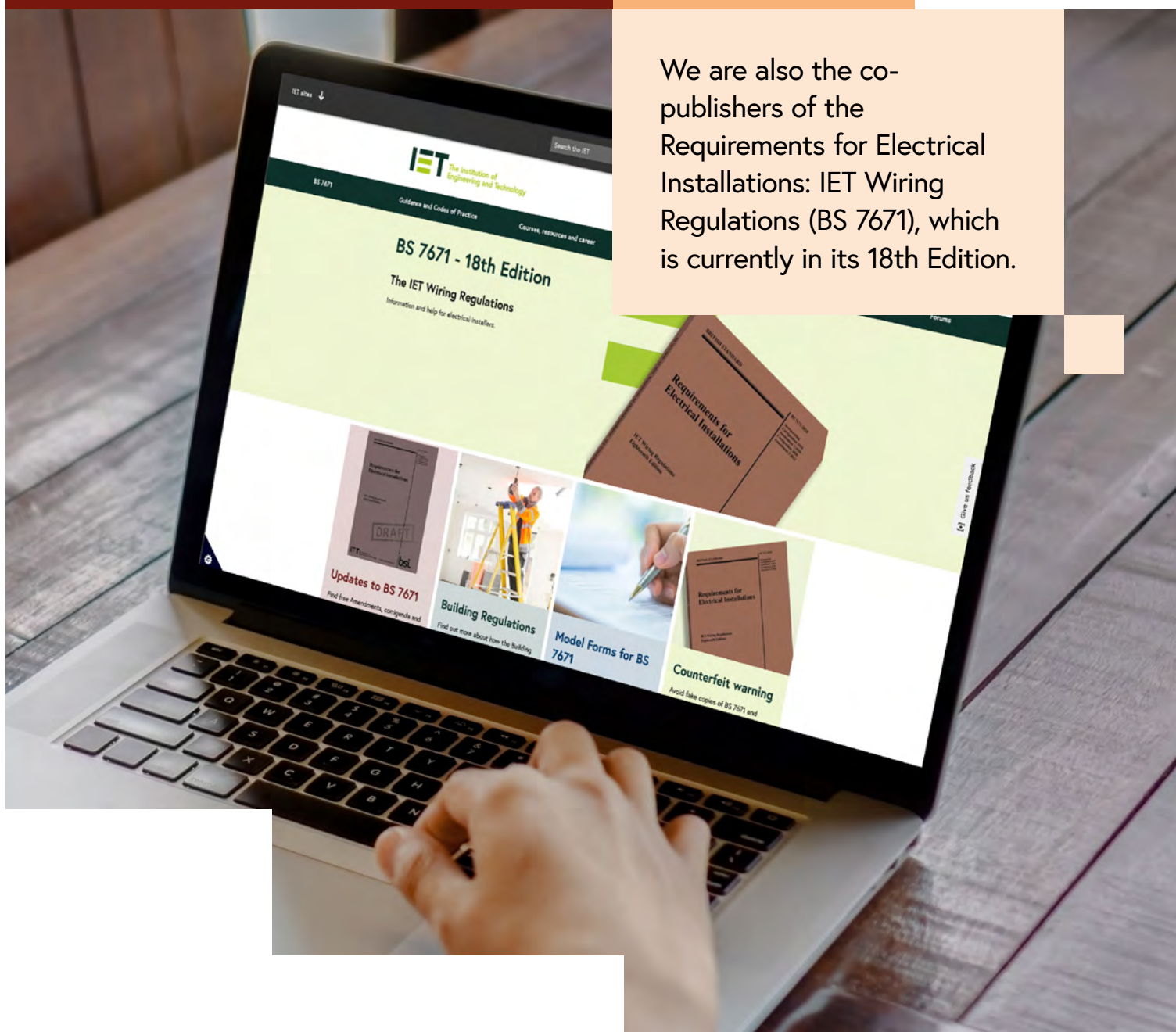
In line with our mission, vision and strategy, we

- **Publish a wide range** of Journals and Books
- **Facilitate** the application of engineering and technology research to create sustainable impacts
- **Deliver insight** and intelligence to enable effective and innovative research
- **Provide inspiring and up to date knowledge** and learning
- **Publish trusted standards** to deliver safe and reliable solutions



Our knowledge solutions include leading academic journals, award-winning analytics tools, dynamic research communities, technical call-for-paper events, and online technical networks.

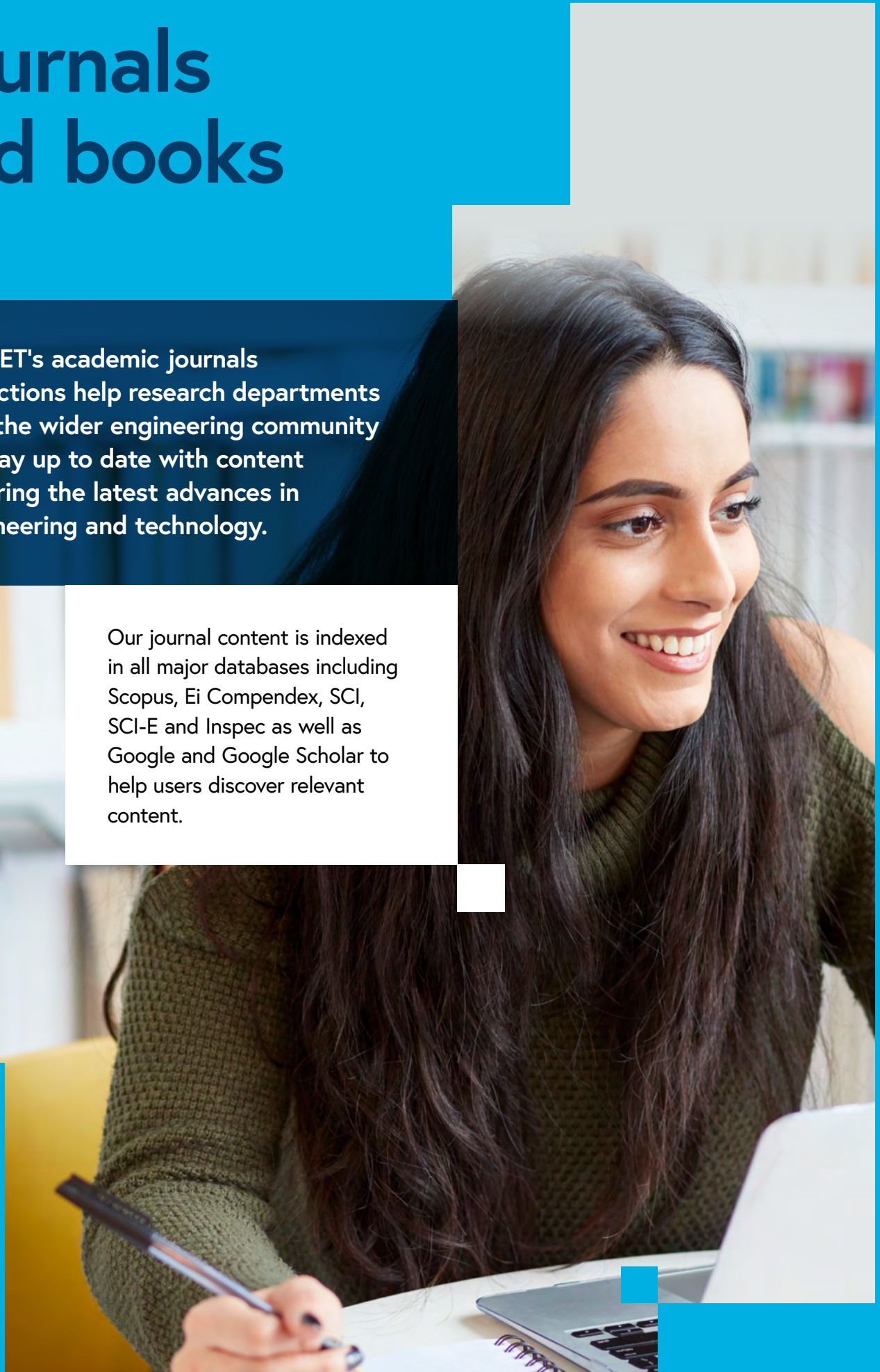
We are also the co-publishers of the Requirements for Electrical Installations: IET Wiring Regulations (BS 7671), which is currently in its 18th Edition.



Journals and books

The IET's academic journals collections help research departments and the wider engineering community to stay up to date with content covering the latest advances in engineering and technology.

Our journal content is indexed in all major databases including Scopus, Ei Compendex, SCI, SCI-E and Inspec as well as Google and Google Scholar to help users discover relevant content.



Journals

The IET's 43 Journals span all areas of engineering and technology – covering in depth the disciplines of electrical, electronics, computing, control, biomedical and communication technologies. Over the course of the year, we published almost 3,500 papers, including 257 special issue papers.

Our current journal titles are fully gold Open Access, allowing researchers and practitioners around the world immediate and free access to current IET Journals content. The latest content from our journals is accessible through a publishing partnership with Wiley on the IET Research Hub page.



IET Journals Archive 1872 – 2012

Inspire your researchers to become pioneers of the future with unique insights into 140 years of engineering and technology history.

With over 145,000 full-text articles dating from 1872 - 2012, the IET Journals Archive provides exclusive, unlimited online access to the Institution of Engineering and Technology's extensive publishing history.

Including ground-breaking articles by engineering pioneers such as Marconi and Edison, our Journals Archive provides a comprehensive source of historic engineering and technology information.

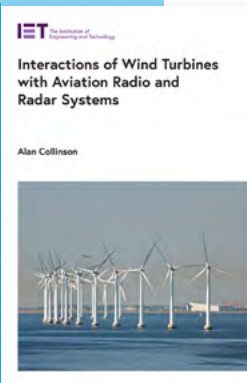
Books

During 2023, we published 57 new books spanning a wide range of subjects, including:



Design, Control and Monitoring of Tidal Stream Turbine Systems, by Mohamed Benbouzid FIET

Tidal energy generation has the potential to become an important component of the clean energy mix, using the ebb and flow currents off coasts to drive submerged turbines. The technology is advancing rapidly towards maturity, but challenges remain, with areas of active research including tidal stream turbine generators and drivetrain design options, turbine control, fault-tolerant control, monitoring and fault diagnosis, and biofouling issues. Edited by Mohamed Benbouzid FIET, this book provides insights from experts in the field into how engineers might solve key challenges in tidal stream turbine systems, enabling this technology to fulfil its role in helping society reach net zero.



Interactions of Wind Turbines with Aviation Radio and Radar Systems, by Alan Collinson FIET

Wind farms and wind turbines are strong reflectors of radio waves, which can affect radar and radio systems used by civil and military aviation. Also, the speeds of turbine blades and aircraft are comparable, and it can be difficult to discriminate between them using existing radar systems. Wind turbines provide essential renewable energy and promote energy independence but, critically, they must do so without compromising aviation safety or national defence. We're proud to have worked with author Alan Collinson on the publication of his book on this vital cross-disciplinary topic. Alan is a nationally and internationally recognised expert in this field, having worked on NATO advisory groups, been an expert witness at public inquiries into the effects of wind farms on aviation radar systems, appointed OBE for services to the defence industry, and a Fellow of the IET.



Medical Equipment Engineering: Design, manufacture and applications, by Wai Yie Leong FIET

The design and manufacture of effective, safe, reliable medical equipment is an essential factor in patient health. This book is edited by Professor Wai Yie Leong (FIET), who is not only a thought-leader in her field, but a keen champion of women in engineering. Wai Yie is Vice President of the International Network of Women Engineers and Scientists (INWES), chairperson of the IET Malaysia Local Network and committee member of World Federation of Engineering Organisation's Women in Engineering Committee.

Lectures, conferences and seminars

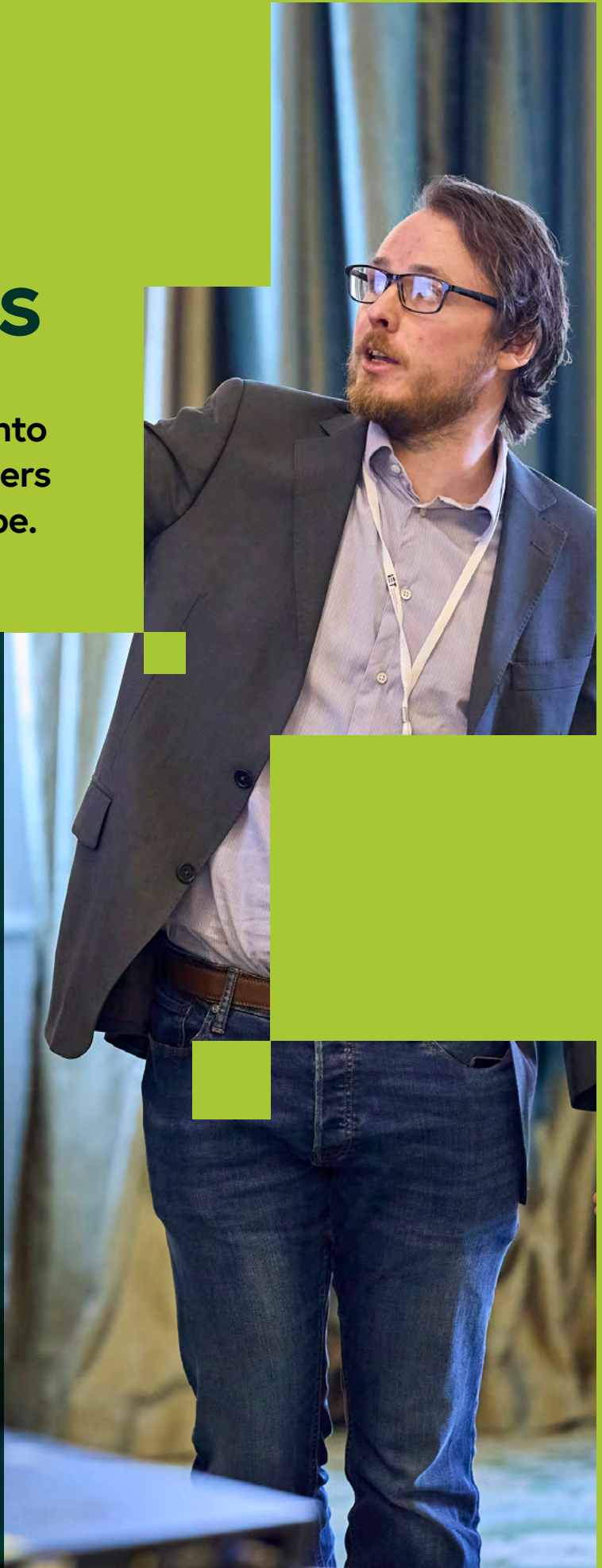
Delivering insight and debate into the key topics affecting engineers and technicians across the globe.

The IET's events portfolio is a fantastic way for the engineering community to network, share knowledge and upskill across a wide range of disciplines and specialisms.

Individuals interact with the Institution's conference content across virtual, hybrid and face to face formats. We have a variety of different conference types, to ensure that the right information is delivered to the right individuals, in the right manner.

These include;

- Seminars
- Courses and Training
- Volunteer-led events
- Call for Papers conferences
- Technical Webinars



Our conference highlights from 2023 include

Why 6G?

The first IET 6G conference brought together regulators, policy makers, government representatives, lead industry representatives and researchers worldwide to share their vision and roadmap for 6G tech

ACDC 2023

Held in Glasgow, Scotland, ACDC 2023 offered power transmission professionals the opportunity to learn about new and emerging projects, technologies and initiatives in this fast-moving sector, as it moves towards the net zero grid.

Milsatcoms

The latest in our long-running Milsatcoms conference series offered insight into the UK Ministry of Defence, and Space Agency priorities, and featured the latest on the UK Defence Space Strategy, critical updates on EU and UK military satellite programmes and strategies for building scalable, resilient and innovative infrastructures.

Cyber security for critical industries

This event focused on identifying the latest cyber security challenges facing companies today and the creation of resilient and responsive systems.

Power Electronics, Machines and Drives Europe

2023 saw the latest in a successful series of call for papers conferences which brought together hundreds of specialists from across the globe, and showcased the technology roadmaps of the components, systems, process and materials that are driving innovation.

Powering Net Zero Week

Powering Net Zero week encompassed three co-located conferences in Glasgow: Energy Storage, Electric Vehicle Infrastructure: Charging Ahead, and Renewable Power Generation and Future Power Systems. These conferences served as a platform to discuss solutions to deliver net zero by 2030.



President's Address



Engineers – Holding the keys to the future of humanity.

In his President's Address, Dr Gopi Katragadda shared his thoughts on how Artificial Intelligence and engineering are critical in achieving a future where sustainability, jobs, and progress are achieved in harmony.

Gopi's lecture is available to view on-demand



What we said we would do and what we achieved

The key performance indicators we used to track our performance in the Knowledge Sharing area in 2023 were:

Strategic KPI

Average Journal Impact Factor

2023 outcome **2.2**

2023 target **2.2**

A Journal Impact Factor is often used to measure the importance of a Journal by calculating the number of times its articles are cited by other papers.

It is calculated over a two-year period and involves dividing the number of times articles within the Journal were cited, by the number of articles that are citable. By taking an average, we aim to provide a unified score across our journal portfolio.

In 2023, we were able to achieve our target of achieving an Average Journal Impact Factor of 2.2, which is an improvement on our 2022 average Impact Factor of 2.1.

This score was driven by a number of factors which included high Impact Factors for 10 new journals, which received impact factor scores for the first time during this period of measurement. Our existing journals also performed well with an average increase of 5% per Journal.

Membership and Professional Development

Professional home for life

We are a global, diverse home for more than 156,000 engineering and technology professionals in 143 countries and we support the engineering community at every career stage, whether it's developing new capabilities or perfecting established ones. programmes to supporting students and apprentices in their studies through IET Launch Scholarships, the Futures Fund is a key part of our purpose to engineer a better world.



Safeguarding professional standards

The IET is licensed to award four categories of Professional Registration: Chartered Engineer, Incorporated Engineer, Engineering Technician, and ICT Technician. These titles are internationally recognised standards of professional competence and commitment.

We are the Professional Engineering Institution of choice for those seeking to fulfil their personal and professional ambitions.

Find out more.



Partnerships

The IET works with partners in Industry to help them ensure that their employees continue their professional development journeys and consistently demonstrate the highest levels of competence and expertise.



IET Corporate Partners

The IET works with a wide selection of large organisations who, like us, are committed to high professional standards and employee development. With over 260 Corporate Partners, we provide support for engineers' professional development and registration to some of the largest companies in the world.



All our Corporate Partners have their own dedicated Corporate Account Manager, to support them in making the most of all the benefits available and create a bespoke partnership package that offers the best products and services tailored to each company's individual needs.

Although companies must meet qualifying criteria, Corporate Partnership is cost-free.

This support includes;

- **Personal assistance for IET membership applicants.**
- **Personal assistance for IET Professional Registration applicants**, including one-on-one support and direct access to our Professional Registration team.
- **Access to regular additional live webinars**, providing further guidance for Professional Registration applications and, for those not yet ready to apply, webinars providing advice regarding how individuals can record, plan and develop their engineering competence.
- **Access to video guides** of how to use the IET's online professional development tool, Career Manager.

We were pleased to announce that we welcomed the following organisations to our network in 2023.

| | | |
|-------------------------------|--------------------------------|--------------------------|
| Atos | Insite Technical Services | RINA |
| Axima | (Vulcain Engineering) | Saab UK Ltd |
| Balfour Beatty | Inzpire | Scottish Water |
| BPA (British Pipeline Agency) | Kenwood | Security Services Group |
| Bureau Veritas | Kier Group | SSMC – Mayo Clinic (UAE) |
| Cambridge Consultants | London Stanstead Airport (MAG) | STFC (UKRI) |
| Capgemini Engineering | McDermott International | Subsea 7 |
| CGI | Moog | Tevva |
| Essity | MWH Treatment | Ultra Energy |
| FM Global | Ofgem | Ultra PCS Limited |
| Frasers Group | ProDrive | Ultra Sonar Systems Ltd |
| Home Office | Proserv | Veolia ES (UK) Ltd |
| HydraForce Hydraulics | PX Group | Waters UK |
| Imperial Brands | RBSL | Wessex Water |
| INEOS | Red Engineering | WME Global (UAE) |

IET Enterprise Partners

We're always looking to partner with entrepreneurial and innovative small and medium-sized enterprises (SMEs) who are committed to professionalism. The IET recognises that smaller organisations face a vastly different range of challenges to their large corporate brethren, and as a result we launched our Enterprise Partner scheme to UK based SMEs who commit to funding 20 new IET memberships in their first year of membership, with the aim of raising the professional bar and helping SMEs take the next step towards delivering engineering and technology excellence.

Our Enterprise Partners receive tailored support, including:

- **Dedicated IET Account management** to support the upskilling of employees.
- **Networking opportunities** and access to Graduate talent, through our Academic Partner network.
- **Discounts** across a wide range of IET products and services.

We would like to thank our new Enterprise Partners, who in 2023 included:

| | | |
|------------------------------------|-------------------------------|----------------------------|
| AEGIS Engineering Systems | HCF Catch | Niftylift Ltd |
| Brighton Palace Pier | Infrastructure Gateway Ltd | ORE Catapult |
| The Bristol Port Company | (Also known as IGL) | PB Design |
| Correll Electrical Engineering Ltd | Integrum Power Engineering | Playfords |
| C3ia Solutions Ltd | I3 Group Solutions | RJ Power Networks |
| Daci Utilities Engineering | Mac Group | Seaward Electronic Ltd |
| Consultancy Limited | MCS | Staterra Energy Operations |
| Fortress Interlocks | (also known as Galliford Try) | TCP Group |
| GeoPura | NDGTA | Ventus Energy Ltd |
| Gridserve | NHS Greater Glasgow and Clyde | Wolverhampton Homes |

Awards and scholarships

Recognising and promoting excellence.

Our awards programme includes awards for individual excellence, research and innovation, scholarships, travel awards, prizes and competitions within the engineering and technology sector.

Our activities in this area include;

- Postgraduate Research Awards
- Travel Grants
- The Young Woman Engineer of the Year Award
- Annual Achievement Awards
- Apprentice and Technician Awards
- Future Talent Awards
- Impact in Society Awards
- The IET Power Academy
- Excellence and Innovation Awards
- Student Prizes
- Healthcare Technologies Student and Early Career Awards

We are pleased to draw attention to all of our winners in 2023; for a full list of our prestigious winners, and to find out more about them and their work, please visit the IET website.



A F Harvey Engineering Research Prize

This is our most valuable prize fund, which is awarded to phenomenal researchers working in the fields of radar and microwave, lasers and optoelectronics, or medical engineering.

The A F Harvey Engineering Research Prize of £350,000 is awarded annually in remembrance of Welsh Engineer Dr Arthur Frank Harvey. For further information on the life and career of Dr Harvey, please visit the IETs website.



The A F Harvey Engineering Research Prize 2023 Prize

Professor Rachel McKendry is the 2023 winner of this prize, in recognition of her outstanding contributions to research in the field of medical engineering and technology, specifically in the area of bio sensors harnessing advances in quantum and digital technologies. Professor McKendry will present her research to the IET at Savoy Place during 2024.

Professor McKendry is Professor of Biomedical Nanoscience and holds a joint position between the London Centre for Nanotechnology and the Division of Medicine, University College London

She is Director of the i-sense EPSRC IRC, a large interdisciplinary research collaboration in Early Warning Sensing Systems for Infectious Diseases (2013-24) and the new EPSRC Digital Health Hub for AMR. Her research lies at the cutting edge of quantum technologies, deep learning and telecommunications for infectious diseases and public health.

See below for further information on Professor McKendry and her work.



The winner of the 2022 A F Harvey Engineering Research Prize was Professor John C Travers, Professor of Physics at Heriot-Watt University, Edinburgh, and Director of the Laboratory of Ultrafast Physics and Optics. The outcomes of his research have been published in over 200 scientific articles, presented in over 100 invited talks, and received attention in a wide range of scientific news outlets.

Together with his research group, he has pioneered a new technique to generate pulses of far-ultraviolet light, based on the use of soliton dynamics in gas-filled waveguides, which outperforms all previous techniques. We can generate tuneable, highly focusable, extremely intense, and extremely short pulses of far-ultraviolet light in a compact table-top system that exceeds the capabilities even of building-scale facilities.

Professor Travers presented his research to the IET on 9 March 2023, at a lecture hosted by Past IET President, Professor Bob Cryan.

*The full lecture
is available online*



What we said we would do and what we achieved

Number of non-student and apprentice members below the age of 40 (excluding Students, apprentices and those in India and China)

KPI 2023 target **36,750**

KPI 2023 outcome **37,040**

As part of our mission to Engineer a Better World, we want to ensure that Engineering and Technology talent is encouraged and to this end, we aim to encourage younger individuals to join the IET and make a positive contribution to their technical communities and society in general.

We were able to closely match our target in this area, thanks to the hard work of our Volunteers, Partners and staff, who generated strong growth, particularly in the UK.

New registered members

KPI 2023 target **2,291**

KPI 2023 outcome **2,432**

This metric indicates the number of new professional registrations that the IET was able to award during 2023, across 4 categories: Chartered Engineer (CEng), Incorporated Engineer (IEng), Engineering Technician (EngTech) and ICT Technician (ICTTech). We were able to exceed our target in this area, with results in the EngTech category that were beyond our expectations at the beginning of the year. We are also pleased to be able to report that these results represent year on year growth across the CEng, IEng and ICTTech registrant categories.

Education, policy and awareness

The IET's core purpose is to promote the general advancement of science, engineering, and technology.

In order to accomplish this goal, we work hard to;

- **Inspire young people** to take up careers in engineering and technology.
- **Inform and influence** Governments and policy makers to encourage them to confidently implement engineering and technology-based solutions and in turn provide an environment where technical talent can flourish.
- **Engage with the public** to provide independent information and expert advice regarding the technology and engineering solutions they use every day.



Inspiring the next generation

Throughout the year we produced and distributed several major initiatives, including:



FIRST® LEGO® League Together with our partners at **FIRST®** and **LEGO®** we engaged with more than 40,000 children via this hand-on learning activity. This global programme which helps today's students and teachers engage in a practical and fun way with robotics and become the professionals of tomorrow.



For further information regarding the impact that the IET makes in the education space, our latest impact report is available on the IET's website.



Faraday Challenge Days, which is an annual competition of STEM activity days which features a real-world challenge for pupils aged 12-13 years to engage with as part of a team, or via a Virtual Faraday Challenge, which are aimed at 7-15 year-olds. Via this programme, we engaged with almost 6,000 students during the 2022 / 2023 season.



Promoting engineers, engineering, and technology

Our Communications activities in 2023 focused on providing engaging information and content for all those interested in the Engineering and Technology fields, regardless of age or experience.

Some of our highlights during the year include the following:



Over the summer we announced our latest **Engineer a Better World** campaign, which broadened children's understanding of STEM in a fun and educational way. Using football and space, we asked children to design the very first Moon United football kit – after we worked with a panel of

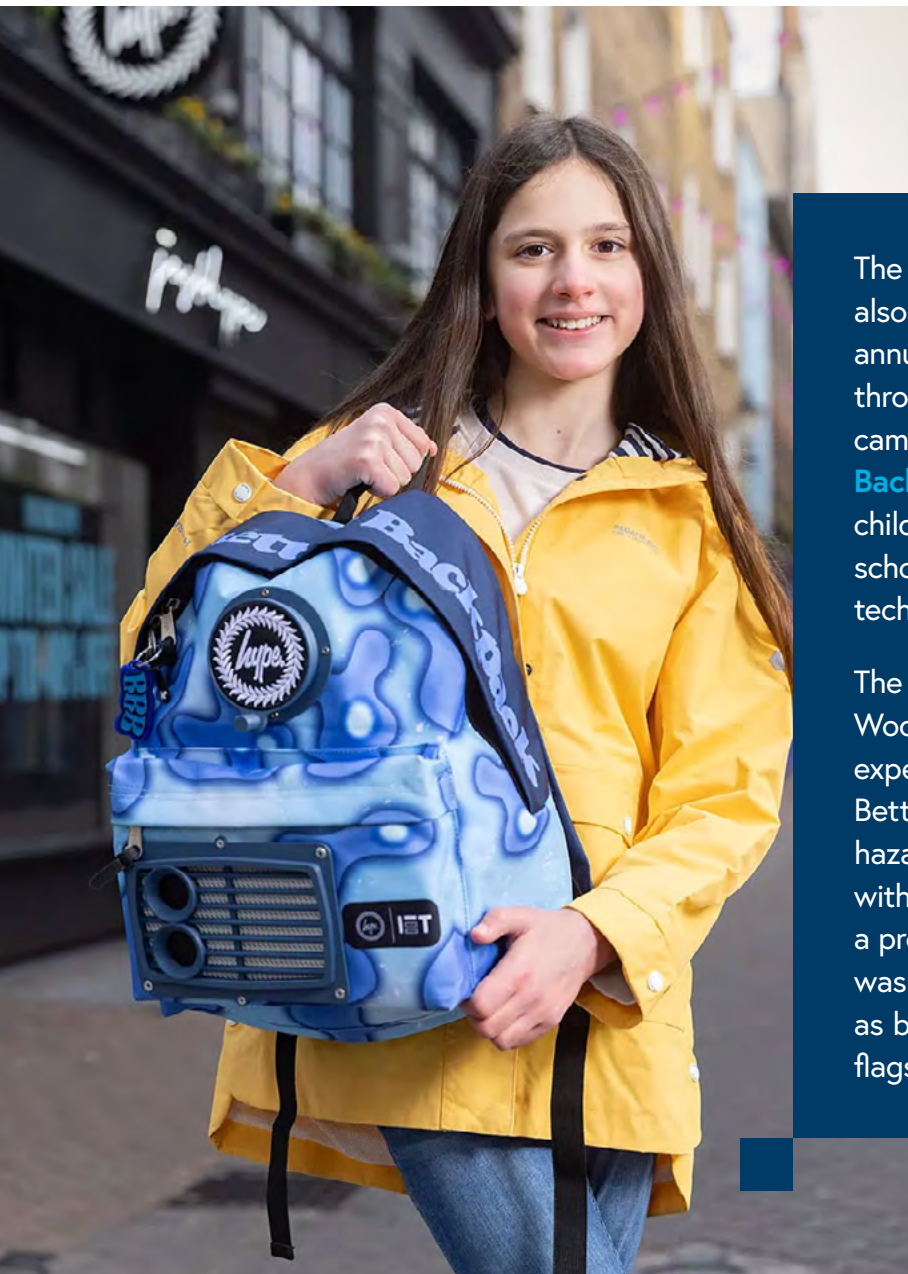
engineers and technologists to realistically imagine what lunar football may look like in the future, and how it could be played. With two age categories, the competition attracted over 500 entries from across the UK and following a competitive judging process, our winners were chosen.

Competition winners



Engineering Open House returned in June this year for a week of activities. This fun and educational experience for all ages provided exclusive, behind-the-scenes access to venues and STEM organisations across the UK – so young people and their families could explore, discover and experience first-hand the latest advancements in engineering and technology, as well as see first-hand the breadth of exciting career options available. With 21 companies on board including the likes of Airbus, Armagh

Planetarium, BT, Collins Aerospace, London Transport Museum, Make UK, and Zurich, a total of 30 events took place with more than 1,000 children, parents and teachers attending. As well as supporting each company with marketing, PR and social promotion for their events, ahead of these taking place, we worked with IET Young Woman Engineer of the Year, Ama Frimpong, to record a number of regional soundbites tailored to different companies and locations.



The Corporate Communications team also launched the final phase of its annual 'Engineer a better world' campaign throughout February and March. The campaign featured a national competition, **Backpack to the Future**, which challenged children aged 5-13 in the UK to design a school backpack featuring engineering and tech gadgets.

The winning design by 12-year-old Eleanor Woods was inspired by her mother's experiences with asthma. Her 'Breathe Better' uses solar energy to filter out hazardous toxins in the air. The IET worked with global fashion brand HYPE® to create a prototype of the winning design which was both used for media work as well as being featured in a display in HYPE®'s flagship store in London.

Delivering thought leadership

Policy and thought leadership are central to the IET's mission to inspire, inform and influence the global engineering community. As a member-led organisation, we act as a conduit for the expertise of the profession to improve the world we live in and in doing this ensure that the 'voice of engineering' is heard.

2023 saw us continue our work to build our profile amongst policy makers and influence UK Government across a wide range of engineering and technology priorities, including:

- The UK's power infrastructure
- Housing
- Software Resilience
- Health Data
- Product Safety
- Online Safety
- Digital Twins
- Getting the UK to Net Zero

What we said we would do

Annual Number of Young People, Parents and Teachers Engaged with an IET Education Resource.

KPI 2023 target 178,100

KPI 2023 outcome 258,800

Our goals in this area include numbers of children engaged with via our *FIRST*® *LEGO*® League and Faraday Challenge Days, alongside the distribution of our on and offline educational resources, which are aimed at both students and their families.

We were able to overachieve against this target by a significant number.

Government Engagement with specific Engineering topics that the IET is targeting for adoption.

KPI 2023 target 8,400

KPI 2023 outcome 8,470

We use a bespoke metric to measure our engagement with policy makers and industry. This metric assigns scores for the various types of activity that the Institution undertakes in order to promote engineering solutions to our various stakeholder groups, which in 2023 included:

- Responding to Government requests for information
- The development of policy briefings
- Engaging with stakeholders at webinars and live events.

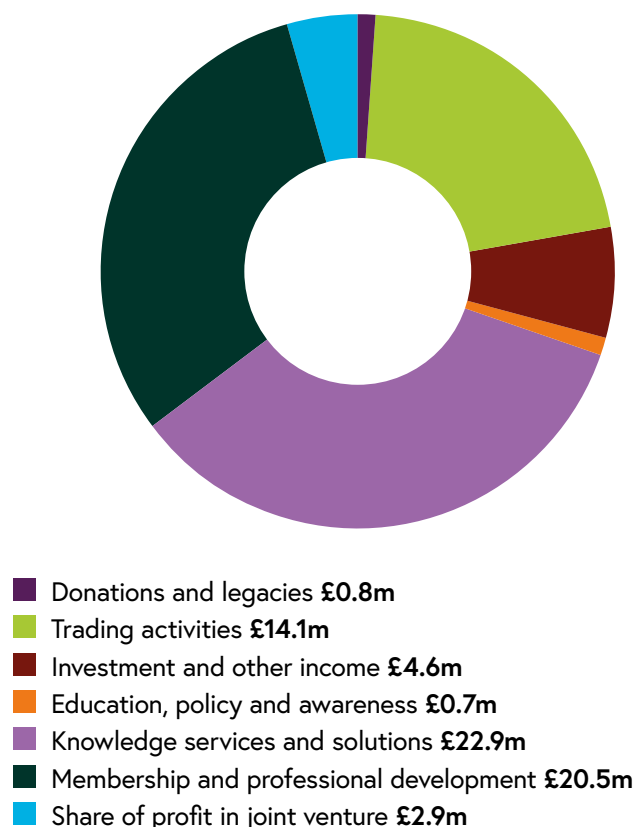
We were able to closely match our target for Government Engagement and will continue to target and grow our influence further in subsequent years.

Financial review

The IET undertakes a diverse range of activities in pursuit of its charitable objects. Funding is principally achieved through a combination of fee-charging and primary purpose trading, together with contributions from the IET's trading subsidiaries. This allows the IET to support a range of net-cost activities including education and policy work and the provision of significant digital resources to the broader engineering community, often without charge.

To achieve its objectives the IET needs to provide its services over the long-term and therefore aims to achieve a sustainable balance of income-generating and net-cost activities, whilst at the same time ensuring that an appropriate level of Reserves is maintained. Given the IET's exposure to highly competitive and relatively mature publishing markets, the Institution continues to actively develop its products and services while managing the portfolio of activities to maximise its charitable impact in a financially sustainable way.

Fig.1: 2023 Income analysis



Within Knowledge Services and Solutions income fell by 25%. There was a significant drop in income from the 18th Edition, second amendment of the IET Wiring Regulations (BS 7671) and associated guidance notes, compared to the launch year 2022. This pattern is in line with previous cycles. There was also a reduction in income from the Wiley relationship due in large part to concerns around the integrity of submitted academic papers (part of an industry-wide issue) leading to additional checks and slowing down the revenue stream.

Trading Income was £3.9m higher than in 2022 as business from hire of the IET's venues recovered to pre-pandemic levels, along with a strong performance from the commercial events portfolio.

Income from Joint Ventures increased by £0.5m as the International Broadcasting Convention LLP (IBC LLP) continued its post-pandemic recovery. The IET's share of the profit was £2.9m.

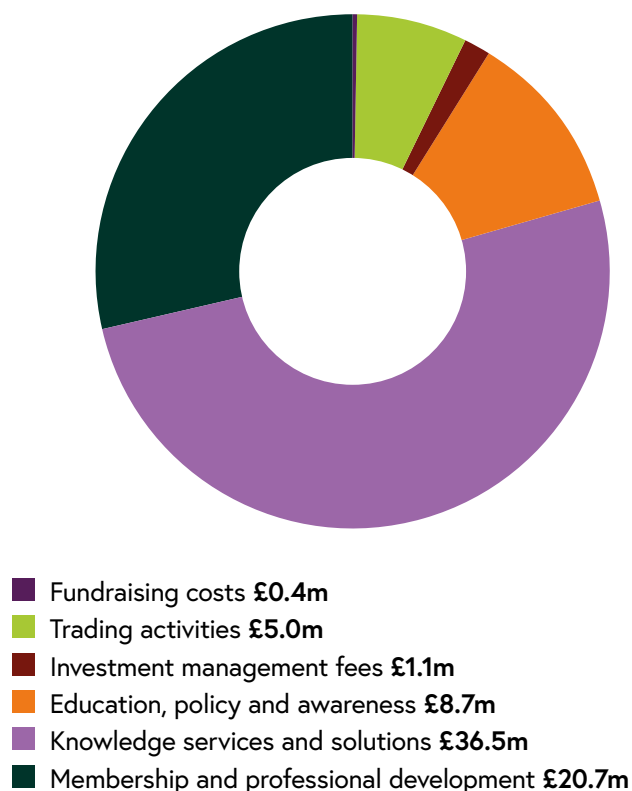
Financial outcomes in 2023

Group income generated in 2023 amounted to £66.4m, split as shown below (2022: £67.6m). Group expenditure in 2023 was £72.3m (2022 (restated): £67.3m). Consolidated net income including net investment gains/(losses) for the year was £3.4m (2022 (restated): net expenditure of £14.5m) before remeasurement of the defined benefit pension scheme and foreign exchange (losses)/gains on retranslation of foreign subsidiaries.

The activities undertaken in the year were carried out within the framework of budgetary control approved by the Trustees and all the income of the charity alone has been deployed on charitable activities or retained in the charity's reserves (see Note 15).

Membership and Professional Development income in 2023 was £1.2m higher than in 2022. Income from Membership subscriptions recovered in the second half of the year and income from End Point Assessment continued to grow.

Fig.2: 2023 Expenditure analysis



Expenditure on Charitable Activities in 2023 increased by 5.0% compared to 2022. Operational Spend was higher than in the prior year as a return of face-to-face activities to pre-pandemic level took place in many areas. This included higher expenditure on servicing the IET's numerous global communities, and activity related increases in professional registration, and end point assessment. IT expenditure was higher than in 2022 and there was a full year of depreciation following the refurbishment of Future's Place. In addition, a degree of restructuring cost was incurred in 2023. This related both to the outsourcing of E&T magazine and to the initial costs of transition to a new operating model which commenced in Q1 of 2024. Expenditure on trading activities was higher due to the increased level of income in the venue hire and events businesses.

Trading activities

The payments due to the IET by its UK trading subsidiaries undertaking activity to raise funds for its charitable purposes are £6,698,000 (2022: £4,475,000).

IET Services Limited undertakes professional magazine production and on-line recruitment advertising activities, as well as operating the rental of surplus IET accommodation and undertaking some of the group's event management.

IET owns 100% of the shares in IET Conventions Limited (IETCL). IETCL changed its name from IEE Conventions Limited (IEECL) on 27 November 2023. IETCL has a 34% share in the profits of IBC LLP. This is accounted for in IETCL's accounts as a joint venture; 34% of IBC LLP's income and related expenditure are included in IETCL's accounts (as per Note 2). IETCL's result for the year was a profit of £2,938,000 (2022: profit of £2,478,000).

Balance sheet and cash flow

The IET's Group reserves and net assets, including Restricted Funds, increased in the year by £3.3m (2022 (restated): decreased by £17.8m). The more significant movements during the year were as follows:

- There were realised and unrealised gains in non-property investments in the year of £11.0m (2022: losses of £12.7m).
- The above investment gains were offset by net operational losses in the year of £5.9m (2022 (restated): net operational gain of £0.2m) and an investment loss during the year of £1.6m (2022: investment loss of £2.0m) on IET's investment property, Savoy Hill House.

Reserves Policy

The IET reviews its Reserves Policy regularly and in particular it is reviewed annually by the Finance and Investment Committee. The policy is structured such that we can maintain our Reserves at a sufficient level to ensure long term financial sustainability, while at the same time providing protection against the risks that have been identified and included within our Strategic Risk Register.

Total charity funds at the end of the reporting period were £183.0m (2022: £179.5m). Included in this total are restricted funds of £16.1m (2022: £14.9m), which represent amounts for restricted purposes specified by the donors and therefore not available for the general purposes of the charity.

Within the unrestricted funds the Trustees have earmarked designated funds for specific purposes. These include Fixed Assets reserves of £39.4m (2022: £41.8m) which could only be realised by disposal of the IET's operational buildings and further amounts of £13.4m (2022: £11.3m) which are reserved to ensure those buildings can be refurbished or replaced over the medium to longer term. Further designations have been established to ensure funds are available to support future project investments.

The balance of the Charity's General Funds at 31 December 2023 was £98.5m (2022 (restated): £95.6m). Under Charity Commission definitions these represent the Charity's free reserves. In setting and monitoring its Reserves Policy and position, the Trustees are mindful of the key financial risks in relation to ensuring the continuity (and growth) of its charitable activities. With this in mind targets/monitoring parameters have been established in respect of key financial risks, including pension liabilities and volatility, operating and continuity risk and investment volatility. The overarching aim is to achieve a balance between achieving and maintaining a robust resilient financial position while using our funds to pursue the IET's long term objectives and mission.

The operations contingency is set at 6 months' future average expenditure and is designed to ensure that the charity can continue to operate fully in the short term in the event of an extreme event or set of circumstances occurring.

The revaluation contingency is set at 10% of unrestricted non-property investments and would insulate the IET from significant adverse movements in external financial markets, including investment values and currency movements.

The pension deficit is calculated on both the technical deficit basis (lower range) and the basis of expected Pension Scheme expenditure over time (upper range), which includes deficit recovery payments, expected expenses and wind-up costs payable.

Together, these items identify a target range for reserves as follows:

Fig. 3: Reserves coverage

| Charity only | 2023 Lower range £m | 2023 Upper range £m | 2022 Lower range £m | 2022 Upper range £m |
|----------------------------------|------------------------|------------------------|------------------------|------------------------|
| Operations contingency | 31.5 | 31.5 | 32.5 | 32.5 |
| Revaluation contingency | 10.0 | 10.0 | 9.5 | 9.5 |
| Pensions deficit | | 9.1 | | 13.6 |
| Target range for reserves | 41.5 | 50.6 | 42.0 | 55.6 |
| Actual reserves | 98.5 | 98.5 | 95.6 | 95.6 |
| Reserves coverage | 237% | 195% | 228% | 172% |

The Trustees remain mindful of the long-term nature of the pension scheme liabilities and that movements in the pension scheme liability will impact on the resources available for general application. The Trustees have previously closed the IET scheme to future accrual to mitigate some risk and continue to work closely with the scheme trustees to manage scheme-related risks.

In assessing Reserves that are above target range the Trustees have adopted a medium-long term perspective (up to 10 years) to target use of surplus unrestricted funds. By taking this longer-term view, on-going adjustment can also be made to the level of reserve spending to moderate short-term volatility. At present levels this implies an average drawdown of Reserves of up to £4.4m per annum for use in the IET's charitable activities.

In light of the IET's financial and risk environment the level of Reserves and the policy for utilising excess Reserves is considered to be appropriate.

Investment policy

The Trustees' general powers of investment derive from (and are restricted by) the Trustee Act 2000. These powers are not restricted by the IET's Royal Charter, which states under clause 4:

"4. For the purpose of attaining the aforesaid objects the IET shall, subject to this Our Charter and the Bye-laws, have powers to do any act or thing and to administer the affairs and deal with the assets of the IET in all respects without any restrictions whatsoever and, in particular, (but without limitation):

- (d) to invest any monies of the IET, not immediately required for any of its objects, in such a manner as may from time to time be determined, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided;"*

The Board of Trustees has delegated the responsibility for investment activities of the Institution to the Finance and Investment Committee and included in that Committee's terms of reference a requirement to ensure that the investments are managed in accordance with agreed policy and that this policy is clearly communicated in writing to the professional investment advisers engaged to undertake this activity.

The investment policy is reviewed annually by the Finance and Investment Committee and recommended to the Board of Trustees for approval.

The Finance and Investment Committee takes professional investment advice in developing the investment strategy and ensures that the investments of the IET held against the reserve funds and the trust funds are managed on behalf of the Board of Trustees in accordance with legislation and good practice.

All divestment transactions are approved by two authorised signatories prior to being transacted, unless such transactions have been delegated to a Fiduciary Manager. The investment signatory mandate is reviewed annually by the Finance and Investment Committee.

The IET's investment strategy, including strategic asset allocations and investment management approach is developed with our Investment Advisors (Mercer). The portfolio constitutes a significant proportion of the IET's total net assets and includes an investment property, Savoy Hill House, as well as a blend of non-property assets.

The IET's non-property investment portfolio comprises both Passive Investment Funds that track given investment indices and Actively Managed Funds which seek to out-perform an index or achieve a target return (net of fees) through the skill of the manager.

Investment risk is managed at an overall level by diversifying the investment portfolio between different asset classes and geographic markets together with maximum ranges for these allocations.

Liquidity risk is managed by periodic forecasts of the Institution's reserve and cashflow requirements to determine tolerance to illiquid asset classes.

The IET's overriding investment objective is to provide medium-long term real returns with appropriate management of risk. Where we hold permanent endowment funds there is the additional requirement to deliver greater sustainable income over the long term.

The IET's unrestricted investment strategy seeks to maintain a well-diversified portfolio and achieve higher overall returns without taking additional overall risk. This has included the introduction of Multi-Asset Credit (MAC) and Emerging Market Debt (EMD) together with an allocation to Private Market Investment to take advantage of the 'illiquidity premium'.

The investment manager for MAC is Oak Hill and the investment manager for EMD and Private Markets is Mercer.

The allocation of unrestricted investment funds is summarised in the following table:

| Asset Class | Performance Benchmark | New Strategy |
|--|---|--------------|
| Developed Equities | Composite Benchmark comprising of regional indices provided by FTSE and MSCI Solactive Sustainable Global Developed Equity EU Paris-Aligned (NTR) Index | 36% |
| Emerging Market Equities | MSCI Emerging Markets Index | 4% |
| Diversified Growth | 3 Month SONIA | 12.5% |
| Private Markets | Not applicable | (up to) 15% |
| Multi-Asset Credit (MAC) | 50% ICE BofA U.S. High Yield Index 50% Credit Suisse Leveraged Loan Index | 12.5% |
| Emerging Market Debt (EMD) | J.P. Morgan GBI-EM Global Diversified Index | 7.5% |
| Fixed Income Global Opportunities Fund | Not applicable | 12.5% |
| Total | | 100% |

The IET makes use of a drawdown service to facilitate capital calls into Private Market Investments using a Passive Sustainable Global Equity Fund. Over and above these funds held for drawdown, any committed funds allocated to Private Markets are held in the Diversified Growth Fund, pending longer term investment calls.

Funds not yet committed to Private Markets (that would otherwise make up the balance of the 'up to 15%' strategic allocation) are held proportionately across the other asset classes in line with their strategic allocations, pending any future commitment.

The current approved strategic asset allocations, which include tailored allocations in respect of the Restricted (i.e. Endowment) Funds, are shown below:

| | Unrestricted Funds | Expendable Endowment | Permanent Endowment |
|---------------------------|--------------------|----------------------|---------------------|
| Developed Market Equities | 36% | 47% | 75% |
| Emerging Market Equities | 4% | - | - |
| Diversified Growth Fund | 12.5% | 15% | - |
| Private Markets | (up to) 15% | - | - |
| Multi-Asset Credit | 12.5% | 15% | 16% |
| Emerging Market Debt | 7.5% | 8% | 9% |
| Absolute Return Bonds | 12.5% | 15% | - |
| Total | 100% | 100% | 100% |

Cash balances arising from the results of operational and investment activities above that which is required for investing in ongoing operations are available for investment and normally invested externally and liquidated as reserves fall due to be utilised.


Money in the form of cash balances arising from operational timing differences will be placed on overnight or short to medium term deposit with a UK clearing bank (minimum A risk rated). Except for IET's principal bankers, there is a maximum limit for the IET Group ("IET") of up to £2m deposit with any one organisation. It is permitted to place short to medium term deposits with a higher risk (i.e. lower than A rated) bank or building society if it is cost effective, subject to approval by the Finance and Investment Committee. Where the overnight deposit accounts, which are maintained with IET's principal bankers, temporarily exceed that required for investment in ongoing operations (e.g. in January following significant numbers of membership receipts), the IET seeks to identify suitable deposit accounts with alternative providers as quickly as possible.

The IET will not enter into any contract-based foreign currency hedging.

The Trustees have considered in detail the requirements of the Charity Commission's Guidance note "Charities and investment matters: a guide for trustees" (CC14).

The IET exists to deliver benefit to society by working to engineer a better world. The Trustees believe sound and transparent governance, alongside attention to the societal impacts of organisational outcomes, supports the development and delivery of beneficial engineering and technology solutions to society.

The IET also has a specific objective to accelerate the pace of development and adoption of technology that supports the move towards a zero-carbon future to address the impacts of climate change on society and the wider environment.



The Trustees believe that Environmental, Social and Governance (ESG) factors can have a material impact on investment risk and return outcomes and that good stewardship can create and preserve value for companies and markets. IET therefore reflects these considerations, and particularly the role of financial markets in supporting the transition towards a more sustainable future, in its investment strategy.

ESG considerations are a standard part of the selection process when appointing new fund managers and the Institution requires its investment managers to have an ESG Policy in place in the selection, retention and realisation of investments together with a well-developed focus on governance factors and the ability to demonstrate at least some indication, and preferably demonstrable evidence, of progress in stewardship with respect to environmental and social factors.

The Finance and Investment Committee uses ESG ratings and research information provided by their investment advisor, Mercer, to monitor the level of an investment manager's integration of ESG into their investment process and philosophy.

The Trustees have not specifically excluded any asset type, or individual investments in light of its charitable objectives or ESG policy, however, recognise that a degree of bias away from investments with weaker ESG performance and towards stronger ESG performance will influence the makeup of underlying investments. Within its allocation to private markets, the IET considers that funds which focus on sustainable investment strategies will positively impact the application of science, engineering and technology to achieve public benefit.

Investment performance

The Institution's non-property investment portfolio is monitored through monthly reports for management accounting purposes as well as quarterly performance reports which are reviewed at every meeting by the Finance and Investment Committee and include our investment advisor's view of both investment management and ESG ratings. The Institution's investment property is valued annually.

For Passive Investment Funds, a desk research exercise is carried out every three years, with the assistance of the IET's investment advisers, to reaffirm the Investment Manager's credentials and suitability. For Actively Managed Funds, each new selection is managed on a case-by-case basis and a detailed review of past performance is carried out annually for such funds with the relevant Investment Manager.

The Committee monitors investment performance of equities and bonds against relevant benchmark indices.

Total net investment gains/(losses) plus investment income from the non-property investment portfolio during the year resulted in net gains of £14.4m (2022: net losses of £9.7m). The performance compared to Benchmark of the non-property investment portfolio for 2022, and the 3 years 2021-2023 (annualised) were as follows:

| | Year ended 31 December 2023 | | | 3 years ended 31 December 2023 | | |
|-------------------------------------|-----------------------------|-----------|--------------------------|--------------------------------|-----------|--------------------------|
| | Actual | Benchmark | Over/(Under) Performance | Actual | Benchmark | Over/(Under) Performance |
| BlackRock Portfolio | | | | | | |
| Dynamic Diversified Growth Fund | 8.87% | 4.71% | 4.16% | 0.86% | 2.04% | -1.18% |
| Cash Liquid Heritage | 4.63% | 4.71% | -0.08% | 1.97% | 1.99% | -0.02% |
| UK Equities | 7.70% | 7.64% | 0.06% | 8.66% | 8.47% | 0.19% |
| North American Equities | 18.90% | 18.86% | 0.04% | 11.23% | 11.18% | 0.05% |
| European Equities | 15.39% | 14.83% | 0.56% | 7.92% | 7.38% | 0.54% |
| Japan Equities | 13.55% | 13.53% | 0.02% | 3.05% | 3.03% | 0.02% |
| Pacific (ex Japan) Equities | 0.38% | 0.44% | -0.06% | 4.00% | 3.97% | 0.03% |
| Emerging Market Equities | 3.27% | 3.63% | -0.36% | -3.09% | -2.84% | -0.25% |
| Developed World Equities | 16.94% | 16.81% | 0.13% | 9.93% | 9.80% | 0.13% |
| Mercer Portfolio | | | | | | |
| Emerging Market Debt | 9.80% | 6.30% | 3.50% | 1.70% | -0.90% | 2.60% |
| Passive Sustainable Global Equities | N/A | N/A | N/A | N/A | N/A | N/A |
| Sustainable Opportunities (PIP VI) | 5.40% | N/A | N/A | N/A | N/A | N/A |
| Global Impact (PIPVII) | N/A | N/A | N/A | N/A | N/A | N/A |
| Oakhill Portfolio | | | | | | |
| Diversified Credit Strategies | 15.19% | 13.29% | 1.90% | N/A | N/A | N/A |

Our plans for the future

Delivering our Strategy

Throughout 2024 and beyond, the IET will continue its mission to promote engineering and technology.

2024 will see us continue to develop our activities with the needs of our primary audiences – practitioners, industry, academia and society – in mind.

The world is changing rapidly and by benchmarking new metrics aimed at helping us serve our key audiences better, we aim to stay as relevant as possible to the engineering community.

We have developed a deep range of metrics which will help us drive performance improvement and further understand not only the impacts we create as an Institution, but also where we might be able to optimise operations, ensuring that we can deliver the most impact in the most sustainable way.

Of course, our digital capabilities and resilience will be key success in this endeavour and our Customer Relationship Management project is ongoing. This will help us to ensure that our operational capabilities are align and able to drive and adapt to change.

Key Performance Indicators

Our Strategic Key Performance Indicators remain unchanged in 2024, but the IET's Board of Trustees will be assessing and evaluating a wide range of metrics throughout the year with a view to refreshing the way we measure our success.

| Strategic Theme | Key Performance Indicator | 2023 Actual | 2024 Target |
|-------------------------------|---|-------------|-------------|
| Engineering Excellence | Annual number of IET members achieving Engineering Council registered status in-year | 2,432 | 2,570 |
| Skills, Learning and Networks | Non-apprentice student and apprentice members below the age of 40 (excluding those in India and China) | 37,040 | 37,410 |
| Research Solutions | Average Journal Impact Factors | 2.2 | 2.3 |
| Innovation and Policy | Government Engagement Score | 8,470 | 8,400 |
| Education | Engagement with IET Education Activity / Resources | 258,800 | 285,272 |
| | Enabling Metrics | | |
| | Achievement of Annual Budgets (£'s k) | (3,696) | (5,939) |
| | Extent to Which Volunteers Recognise the Ways in Which their Contributions Align to the Beneficial Impacts the IET Seeks to Deliver | 88.0% | 85.0% |

Structure, governance and management

Organisational structure

The IET was founded in 1871 and incorporated by Royal Charter in 1921. The current Royal Charter of the IET was allowed by the Privy Council on 14 November 2007 and came into effect from 1 January 2008, and the current Bye-laws were approved by the Privy Council on 27 September 2016 and came into effect on 1 October 2016.

The Board of Trustees comprises the charity trustees of the IET and meets regularly throughout the year to conduct the business of the IET in accordance with the Royal Charter and Bye-laws. Key issues discussed by the Trustees during the year included:

- A F Harvey Engineering Research Prize
- Annual General Meeting
- Appointment of Chief Executive and Secretary
- Awards and Prizes
- Bank Account in Hong Kong
- Budgeting
- Career Mentoring
- Company Directors
- Complaints
- Conflicts of Interest
- Corporate Communications Update
- Disability and Inclusion
- Disciplinary Regulations
- Election of Trustees
- Equality, Diversity and Inclusion
- Ethics Programme Action Plan
- Foothold, the IET Benevolent Fund
- Gender Pay Gap Report
- Global Challenge Award
- Governance Meetings
- Governance Review
- Health and Safety
- IEE Conventions Limited
- IET Fundraising Activities
- IET Plan and Budget
- IET Superannuation and Assurance Scheme
- International Broadcasting Convention
- Know Your Customer Project
- Legal Update
- Loyal Address
- Membership and Professional Registration
- Membership Subscriptions
- Modern Slavery Act
- Ofqual Statement of Compliance
- Patron of the IET
- Policy and Insight Panels
- Policy Oversight Committee
- Reports from Main Boards, Committees and Council
- Reports from the Chief Executive and Secretary
- Risk Strategy and Appetite
- Royal Charter and Bye-laws
- Safeguarding of Children and Adults at Risk
- Serious Incident Report
- Skills Audit of Trustees
- Special General Meeting
- Staff EDI Survey
- Strategy Prioritisation
- Subsidiary Companies
- Supporting Innovation
- Terms of Reference of Boards and Committees
- Trustee Champions
- Trustees Annual Report and Accounts
- Volunteer Involvement in Change

Minutes of the Board of Trustees' meetings, together with open Board papers can be found on the IET website.

The Trustees have established a structure of Boards and Committees from within the membership to monitor and control key areas of the IET as shown in the graphic below. Terms of reference for each of these bodies can be found in the **About Us** area of the Institution's website.

Individual Trustees are appointed to membership of these Boards and Committees alongside non-Trustee members to ensure strong communication and co-ordination of decision-making.

Governance Review

The IET commissioned an independent Governance Review in 2023 which was conducted by BDO UK LLP. The purpose of the review was to examine the upper levels of the governance of the IET and consider the effectiveness of the current arrangements for the IET and its activities. A report was submitted to the Board of Trustees in June 2023 and over the following months a number of actions were agreed in response to the report.

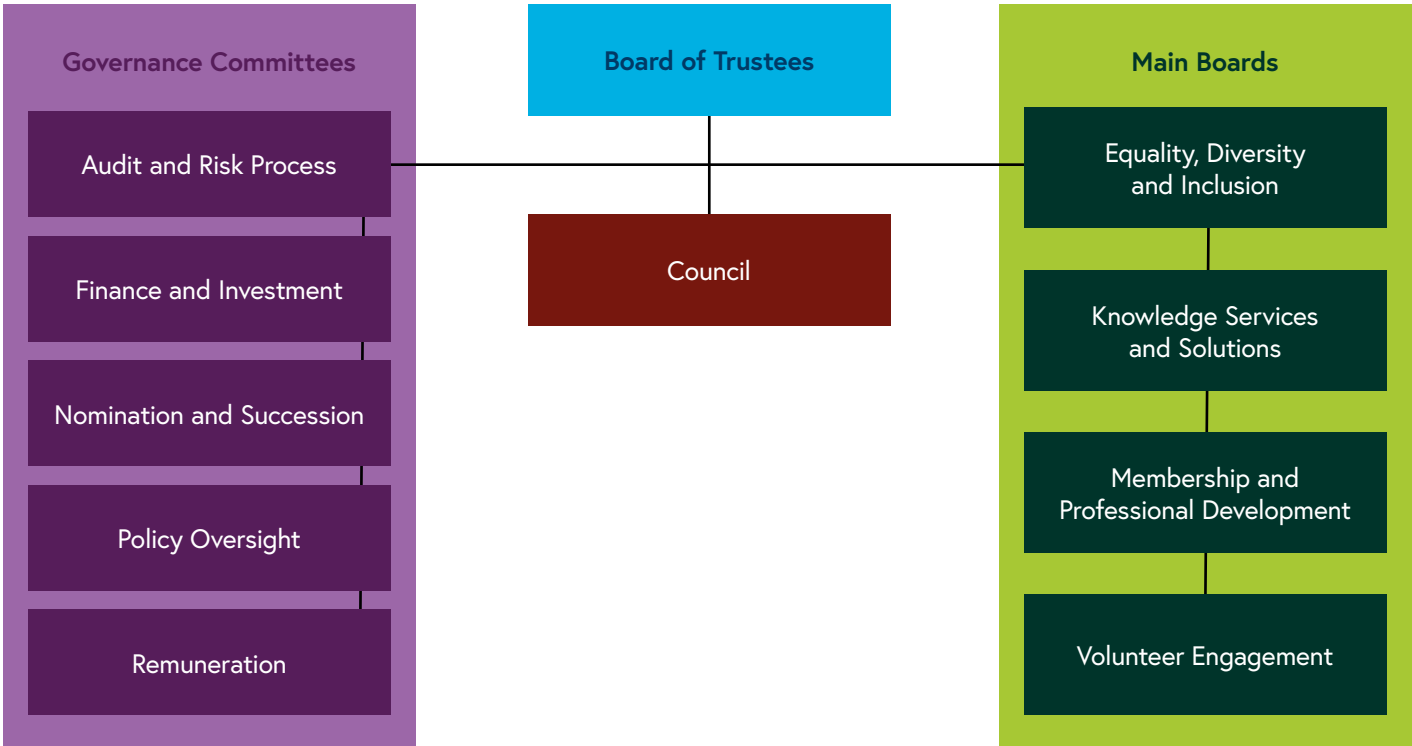
Trustee election, induction and training

Trustees are normally elected by the membership from candidates who are either proposed by the Trustees, based on appropriate skills and competencies, or are nominated by 10 or more members. The President and Deputy Presidents are appointed by the Board of Trustees.

All new Trustees are provided with an Induction Pack, including relevant Charity Commission publications, which outlines the responsibilities and role of a Trustee and provides key information about the institution and its management.

Trustees are invited to attend orientation meetings with the President and senior staff and are asked to attend an induction seminar delivered by an external expert. They have access to the services of the Governance Department which maintains a training log and provides information and support as required.

Fig. 4 Governance Structure.



Membership

Membership of the IET is open to any individual with an interest in science, engineering or technology. The Institution is not constituted for the gain of its members and members have no claim over the property of the Institution. However, as a membership body, engagement of members in the activities of the IET is key to the successful delivery of its mission.

Members enjoy key rights and responsibilities as defined in the Royal Charter and Bye-laws, and participation as volunteers in both governance and delivery processes ensures their influence on decision making. In addition, the IET undertakes an annual membership survey, holds an annual Membership Information Event and brings volunteers together for training events as required.

The Trustees have approved and put in place formal Delegations of Authority, which are accessible to all staff within the IET. The Royal Charter and Bye-laws require certain decisions to be taken by the IET in General Meeting.

Within these constraints it is the policy of the Board of Trustees that authority shall be delegated to the greatest extent compatible with the Trustees' overall direction and control of the IET and to the point in the IET where it can be exercised most effectively. The Trustees retain responsibility for all acts taken under these delegated responsibilities.

An annual business planning cycle is in place resulting in the production of a rolling three-year IET Plan. The Trustees also meet outside routine Board meetings to review key strategies and organisational objectives, as well as to review and approve the output of the planning process. Input to strategy and plan development is provided by the Main Boards and Council and informed by member and user feedback as well as structured research. The Trustees monitor progress on a regular basis against strategic objectives and budgets set out in the IET Plan.

The Trustees also ensure strong communications with key Boards and Committees through committee membership as follows:

Decision-making.

| Trustee roles | Appointed (from 1 October) | Retired (from 30 September) | Attendance (actual/ potential) | Other governance roles |
|---|----------------------------------|-----------------------------------|--------------------------------------|---|
| Y M Akinola (Vice President) | 2023 | | 1/2 | Nominations and Succession Committee (from 1 Oct) |
| Dr B S Bhangu (Vice President) | 2020 | 2023 | 3/5 | Knowledge Services and Solutions Board (until 30 Sep) Nominations and Succession Committee (until 30 Sep) |
| Professor R A Cryan | 2020 | | 5/7 | Nominations and Succession Committee Remuneration Committee |
| Professor T R Dafforn (Vice President) | 2022 | | 6/7 | Policy Oversight Committee |
| K Deacon | 2021 | | 7/7 | Nominations and Succession Committee (from 1 Oct) |

| | | | | |
|--|------|------|-----|---|
| D W A East (Deputy President) | 2023 | | 1/2 | Audit and Risk Process Committee (from 1 Oct) Finance and Investment Committee (from 1 Oct) Nominations and Succession Committee (from 1 Oct) Remuneration Committee (from 1 Oct) |
| A Feng | 2022 | | 7/7 | Audit and Risk Process Committee Finance and Investment Committee Nominations and Succession Committee |
| Dr S D Hart (Vice President and Honorary Treasurer) | 2023 | | 2/2 | Audit and Risk Process Committee (from 1 Oct) Finance and Investment Committee (from 1 Oct) Knowledge Services and Solutions Board (from 1 Oct) Membership and Professional Development Board (from 1 Oct) Remuneration Committee (from 1 Oct) Volunteer Engagement Board (from 1 Oct) |
| Dr A C Harter (Deputy President) | 2019 | 2023 | 3/3 | Audit and Risk Process Committee (until 5 May) Finance and Investment Committee (until 5 May) Nominations and Succession Committee (until 5 May) Remuneration Committee (until 5 May) |
| S E Hubbard (Vice President) | 2022 | | 7/7 | Membership and Professional Development Board Nominations and Succession Committee |
| R C Hurst (Vice President and Honorary Treasurer) | 2020 | 2023 | 5/5 | Audit and Risk Process Committee (until 30 Sep) Finance and Investment Committee (until 30 Sep) Knowledge Services and Solutions Board (until 30 Sep) Membership and Professional Development Board (until 30 Sep) Remuneration Committee (until 30 Sep) Volunteer Engagement Board (until 30 Sep) |
| A S Huty | 2021 | | 5/7 | |
| Dr G Katragadda (President) | 2019 | | 7/7 | Audit and Risk Process Committee (until 30 Sep) Finance and Investment Committee (until 30 Sep) Nominations and Succession Committee Remuneration Committee |
| Eur Ing Dr C Marsh (Vice President) | 2022 | | 7/7 | Nominations and Succession Committee Volunteer Engagement Board |
| Professor R Nag | 2022 | | 7/7 | Audit and Risk Process Committee (from 1 Oct) Finance and Investment Committee (from 1 Oct) |
| Professor P M Needham | 2020 | | 5/5 | Audit and Risk Process Committee (until 30 Sep) Finance and Investment Committee (until 30 Sep) Nominations and Succession Committee (until 30 Sep) |



| | | | |
|---|------|-----|---|
| D E Ohlson (Deputy President) | 2023 | 2/2 | Audit and Risk Process Committee (from 1 Oct) Finance and Investment Committee (from 1 Oct) Nominations and Succession Committee (from 1 Oct) Remuneration Committee (from 1 Oct) |
| Colonel A J Rogers | 2023 | 1/2 | |
| M R Singhal | 2023 | 2/2 | |
| Professor S K Spurgeon (Vice President) | 2021 | 3/7 | |
| Professor K Sugden | 2020 | 5/5 | |
| Sir Julian Young | 2016 | 5/7 | Nominations and Succession Committee Policy Oversight Committee Remuneration Committee |

Effectiveness reviews

The Main Boards and Committees of the IET complete an annual exercise to identify skills gaps and assess their effectiveness. The most recent independent Governance Review was conducted by BDO UK LLP in 2023.

Remuneration of key management personnel

The key management personnel of the charity comprise the Trustees and key staff, being the Chief Executive and Secretary and other members of the Executive Team who are routinely in attendance at Board of Trustees meetings.

The IET's policy is that no Trustees are remunerated for their services as a Trustee.


There is a Remuneration Committee made up of both current Trustees and other members appointed by the Trustees. The Committee has responsibility for agreeing the pay and remuneration of the charity's key staff on an individual level and has access to external professional advice which includes benchmarking, market trends and advice on structuring of incentives.

The key staff are currently remunerated by a combination of base salary and benefits, together with bonuses. The objectives set for the Chief Executive and Secretary (CES) and Executive Team have both corporate (short-term and long-term) and individual performance elements and are aligned to the strategic objectives of the IET to promote the long-term success of the institution.

Performance against the IET's values and individual objectives are assessed in the first instance by the President for the CES, and by the CES for the Executive Team and outcomes for all objectives are reviewed by the Remuneration Committee annually.

Gender Pay Gap

Our Gender Pay Gap (GPG) report for 2023 reflects our ongoing commitment to transparency, equality, and fostering an inclusive organisation. The report, which measures the difference in average earnings between men and women across the organisation in the UK, follows the requirements and methodology outlined in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



As of a snapshot date of 5, April 2023, our GPG is 24.4%, a reduction of 4.4% from the equivalent 2022 figure. Key factors positively impacting our position include an uplift in the number of women moving into senior roles. The success of our Women's Leadership Development Programme for example, has seen over 60% of participants experiencing substantial post-programme development. However, challenges persist, particularly in our lower pay quartile, where male representation has decreased and poses an area for focused attention.

A key priority for us is achieving gender parity at all levels and our report acknowledges the targeted interventions we will make. These include;

– **Mentoring**

We are currently operating a successful internal mentoring scheme and will continue to build on the importance of mentoring in accelerating the careers of women.

– **Wellbeing**

We know that different life stages can have a negative impact on women's careers. as such we will be reviewing our wellbeing agenda.

– **Re-orientation**

We will introduce a structured re-orientation programme for colleagues returning from extended leave such as maternity, shared parental and adoption leave, to support women and their careers.

– **Profile-raising**

We will continue to raise the profile of women in the IET, including ensuring the opportunity for our Women's Leadership Development Programme alumni to deliver learning sessions to the wider organisation.

– **Leadership development**

We will deliver our third Women's Leadership Development Programme in 2024.

– **Flexible working for all**

We will ensure more men are aware of the flexible working arrangements on offer.

– **Coaching for line managers**

We will invest in offering coaching development for all line managers; we know through research that women, in particular, thrive in a coaching planning.

– **Gender balance in recruitment**

We have set ourselves a target of no single-gender interview lists. We will monitor and report on our success in achieving this target within our 2024 gender pay gap report. To evolve best practice, we'll continue to work with EDI-focused networks such as 'Women in Tech' and 'Women in Data' and review our recruitment partners and platforms.

– **Menopause support**

We will supplement our existing menopause support (which includes a Menopause and Andropause policy, menopause guide, and menopause support group) to include menopause coaching during 2024, alongside launching the nationally recognised 'Menopause Passport'.

– **A robust and transparent reward structure**

Our new reward structure enables us to keep track of pay progression and to benchmark every role against the external market. It also allows us to ensure consistency to other elements of reward beyond pay - for example notice period and bonus entitlements. We are committed to ensuring we meet our target of 45% women in the upper pay quartiles, as well as building on our goal of 50% women holding senior management team roles.

We aim to meet this through considered and measured programmes of work that centre around internal talent development, structured succession planning and greater awareness of our wellbeing and flexible working initiatives.

As an organisation we remain committed to creating a workplace where talent flourishes irrespective of gender or any individual characteristic. We will continue to ensure that our colleague community, as well as the work that we do, reflects our shared values of equality and inclusivity.

Charity Governance Code

In February 2018, the IET adopted the Charity Governance Code for Larger Charities (2017) replacing the Charity Governance Code which was adopted by the IET in 2012. The Board of Trustees receives regular reports reviewing the use of, and compliance with, the Code. The majority of recommended practices within the Code correspond with the practices of the IET and where the IET has not adopted some of these practices the Board of Trustees receives an explanation of the reasons.

Risk management

The Trustees have implemented a risk management strategy which includes the maintenance and regular review of a strategic and operational risk register. The Trustees regularly review the strategic risks, and the risk management framework is supported by the work of the Audit and Risk Process Committee, as well as the Main Boards and Committees, which monitor certain strategic risks as delegated by the Board of Trustees. New risks can occur at any time and therefore strategic risks will be considered and reviewed on an ad-hoc basis as relevant, but existing risks will be reviewed at least annually.

Risk mitigation and management plans, including internal controls, are developed in agreement with the senior staff. The strategic and operational risk register informs the planning of Internal Audit work which is agreed by the Audit and Risk Process Committee and includes testing of internal controls.

More widely, risk awareness and management is promoted through skills audits, project management methodologies, the use of professional advisors and the recruitment of staff with specialist skills, including Legal and Compliance.

The most significant strategic risks and uncertainties faced by the IET in 2023 are shown in the table below.

It is unfortunate that although there has been a total recovery from the impact of COVID 19 on business in the UK in regard to risks to membership recruitment, this has been replaced by economic uncertainty and some businesses are re-evaluating continuing to fund PEI fees.

Overall, the Trustees are satisfied that the major risks have been reviewed and systems or procedures have been established to manage those risks, albeit that absolute assurance cannot be achieved.

Strategic Risk

Ability to **recruit members** and encourage professional development

Established processes in place for virtual engagement with potential members and professional registrants. Employer engagement through IET Partnership Programme virtually and physically. Professional development on-line with LifeSkill courses and new launch Career Manager Phase 3 with increased monthly engagement. Discounts available for hardship and early career stage.

Maintaining systems integrity and **information security**

Appropriate information policies and procedures have been put in place and these are subject to both internal review and external testing. Risk assessments, incident management and business continuity procedures are also in place. Specialist role within the staff team.

Know Your Customer, the IET's project overseeing the introduction of a new Customer Relationship Management system.

Operational benefits, delivery and governance. Focus on change management to bring the organisation along on the change journey to ensure meaningful process improvement to benefit the Member and customer experience and operational effectiveness. Clear plans around integration, data migration, and release management (including UAT, cut over and roll back options for all phases). Executive and sponsor control group governance in place to manage programme delivery and benefits are in line with objectives, plans and budgets at each phase of delivery with clear measurable outcomes.

Ensuring IET's activities remain **financially sustainable**

The IET has previously adopted a financial framework to structure budgeting in the context of reserves and medium-range budgets. Mitigations include forecasting, strategic planning, portfolio management and sound procurement practices.

| | |
|---|---|
| Ability to meet defined benefit pension liabilities | The scheme has previously been closed to accrual. Risk reduction and funding approaches, including liability-driven investments and partial buy-in of liabilities have been agreed with scheme trustees. Long-term risks are supported by IET's own Reserve policy. |
| Ensuring compliance with data protection law | Policies and procedures in place and regular training provided. Specialist role within the staff team. |
| Threats to the level of publishing revenues | The IET's financial model depends on contributions generated from mature publishing products. Mitigations include close management and renewal of strategic partnerships and vendors, product development and new product initiatives. |
| Protecting the intangible value of business assets | Scanning for market trends and threats to business value together with appropriate development of existing products to maintain relevance. |
| Business continuity and disaster recovery | With the support of external expertise, the IET maintains a Business Continuity Plan and tests it regularly based on simulated scenarios. |
| Adequate project management capabilities for effective development | Standard project methodologies (including Agile) supported by structured Project Office procedures and Executive monitoring. Qualified and dedicated project managers are used for key projects. |
| Liabilities and reputational risk resulting from publications, opinions and advice | Use of suitably qualified staff together with robust editing and checking procedures. Up to date quality control systems in place. |
| Adverse trends in member demographics | Recruitment focus on student and early career members. Development of engagement through IET On Campus and other Young Professional oriented activities. Increased engagement with engineering employers. Proactive marketing. |

| | |
|--|--|
| Ability to maintain status and influence in Public Policy | Building key relationships, engaging on topics of relevance to government and ensuring a high quality of expertise within IET. |
| Ability to recruit and retain Volunteers | Increase face to face engagement between staff and volunteer groups. Making full use of the volunteers in post for Registration and Fellowship activities. Recruitment of New Volunteers. Ensuring volunteers are appropriately supported and recognised for their commitment. |
| Safeguarding children and vulnerable adults | Ensuring suitable policy, procedures and checks are in place as well as mandatory training for all staff and volunteers. |

Related parties and collaboration with other charities

The IET owns seven active incorporated subsidiaries as described in Note 2. These include two companies in the UK operating on a commercial basis, principally in the areas of room lettings, publishing and technical conference and exhibition management services.

The IET works in cooperation with Learned Societies, employers, educators and other bodies within the engineering and technology sector and in close partnership with the Engineering Council and Engineering UK. Cooperation includes the development of common standards, shared products, activities, and promotional materials.

The IET is one of many Professional Engineering Institutions in the UK and collaborates in a number of ways with the objectives of leveraging the combined capabilities of these organisations for the benefit of society.

The Institution also collaborates with the IET Benevolent Fund (Foothold) who provide benevolent services to IET members and staff.

Corporate Social Responsibility

As a registered charity, we exist to deliver public benefit and we achieve this primarily through the advancement of knowledge in science, engineering and technology to deliver solutions to the needs of wider society.

We promote and encourage ethical behaviour in the practice of these disciplines by all stakeholders. In so doing, we seek to raise the level of public trust and confidence in the positive contribution to society made by science, engineering and technology. In joining the IET, all members must agree to abide by the Rules of Conduct which aim to support members to take an ethical stance when balancing the often-conflicting interests and demands of employers, society, and the environment.

We have a shared set of values for our staff and volunteers and seek to develop the skills and opportunities of staff and volunteers as part of a single team.

Many of our members support the work of the IET Benevolent Fund (Foothold). In 2010, we became a patron of disaster relief charity RedR. RedR works on an international level to improve the effectiveness of disaster relief, by delivering essential training and support to relief organisations and their staff, and by providing skilled professionals to humanitarian programmes.

In addition to the expectations to protect the environment included within the Members' Rules of Conduct, we also seek to support environmental sustainability within its own operations.

Transparency in Supply Chains (TISC): Modern Slavery Act Statement

The IET runs its activities with integrity. Modern slavery is a complex and multi-faceted crime and tackling it requires all of us to play a part. The IET is committed to preventing acts of modern slavery and human trafficking from occurring within its business and supply chain and to improving our practices to combat slavery and human trafficking.

The Modern Slavery Act 2015 requires UK organisations with an annual turnover of £36m or more to report on the steps they are taking to ensure that modern slavery is not taking place in its supply chains and publish with a link via the home page on its website. This includes the IET.

The IET's Supply Chain

In order to deliver its activities, the IET works with a range of suppliers, including publishing services, software services, catering and facilities management, and professional services.

Policies

The IET has an Anti-Slavery Policy in place and offers guidance on whistleblowing on its website at <https://www.theiet.org/membership/professionalism-and-ethics/professional-ethicsresources/whistleblowing-guidance-for-members> as well as having staff and volunteer policies on whistleblowing. The IET also has a comprehensive Procurement Manual in place which sets out a procurement framework designed to ensure that modern slavery is not present within the IET's business.

The IET's Rules of Conduct for Members embed ethical behaviour across IET's membership and oblige members to observe the provisions of the Statement of Ethical Principles published by the Engineering Council and the Royal Academy of Engineering.

Actions to minimise risk of Slavery

The IET takes a multifaceted approach, which includes the following:

During 2020 and ongoing into 2023, the IET requested, via our procurement policy and forms, that all contracts must include anti-slavery statements. In 2023 a project to review all standard templates was started, and is ongoing, and all the templates reviews that have been completed contain the appropriate anti-slavery statement.

In 2023 the IET embarked on a new relationship with Redactive who are now responsible for delivering E&T magazine and associated content. During the tender and contract signing a comprehensive due diligence process was completed and the contract contains Anti-Slavery commitments. Site visits were carried out and the relationship ongoing requires some close working between the IET and Redactive to deliver on its purpose.

Futures Place, our main office based in Stevenage, remains an area of focus, including for cleaning and catering services. Operatives are on site so any unusual work practises would be visible. Catering and cleaning are also generally consistent, allowing individuals to become known to facilities colleagues over time and relationships developed.

In December 2023 the IET started a process to review the Right to Work checks for all UK employees, to be completed in January 2024.

We have Modern Slavery provisions included in our operating manuals for both India and China offices.

Technology contracts are split into strategic, operational and commodity as classes of importance. They are reviewed on a regular basis and on their renewal cycle – all our key contracts have modern slavery clauses in them.

With regards to countries which may be considered higher risk, for IT, the key locations are Bulgaria for Ontotext and India for NEC Software and River Valley Technologies (RVT). All have UK offices / are part of larger international corporations. It is considered that the likelihood of risk is very low with these 3 suppliers and there was no impact in 2023.

As part of ongoing due diligence, regular meetings with suppliers in Bulgaria and India are held to ground truth the situation with regards to our key strategic suppliers – we look to visit at least once a year. For example, in 2023 NEC Software were visited twice to discuss matters with their senior management, RVT visited in December, and we have regular account manager contact. These regular meetings will continue into 2024 and beyond.

Our recruitment practices help prevent the risk of modern slavery within our organisation. Our employment agreements and policies are managed locally, based on global templates and principles but adapted for the relevant local context and applicable law.

Some of the other recruitment measures which the IET has in place include:

- Conducting vetting checks of prospective recruits before extending an offer of employment and a police (where appropriate) and reference check prior to start date (double-stage process);
- Conducting regular salary reviews to ensure that staff

are paid a living wage in the countries it operates in, and benchmarking salaries to ensure that they remain competitive in the sector;

- Checking, but not withholding, identity documents and rights to work documentation;
- Providing information on workers' rights in a language they can understand;
- Not allowing fines levied to be passed onto employees, for workers to be charged finders' fees, and not deducting accommodation or transport costs from staff salaries.

Continuous review and risk mitigation

The IET Anti-Slavery Policy sets out the IET's principal risk areas. The IET recognises the need to continually assess the risks of slavery or human trafficking. The IET also recognises that there may be gaps in visibility of supply chains and limitations in the tools used to identify risks. Addressing these is a complex task and is under continuous review to develop an effective framework. The IET recognises the need for modern slavery training across the organisation to widen awareness, particularly for those staff members who are involved in managing recruitment and our supply chains and during 2022 rolled out an eLearning module to all IET staff on Modern Slavery and this continued with a second roll-out of eLearning in 2023. 99% of staff have completed this training within the last two years, across all global offices.

To date, the IET has not found any instances of modern slavery in its operations or supply chain.

This statement was approved by the Board of Trustees on 5 February 2024.

Statement of Trustees' Responsibilities

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

Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 that 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, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group 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.

The Trustees Report on pages 4 to 47 was approved by the Trustees on 13 May 2024 and signed on their behalf by:



Gopichand Katragadda
Gopichand Katragadda (May 20, 2024 10:35 GMT+5.5)

Dr Gopichand Katragadda
BE MS PhD CEng FIET
IET President

May 20, 2024

Independent auditor's report to trustees of the Institution of Engineering and Technology

Opinion on the financial statements

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 2023 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended.

We have audited the financial statements of The Institution of Engineering and Technology ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 31 December 2023 which comprise the consolidated statement of financial activities, the IET statement of financial activities, the consolidated and IET 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).

Basis for opinion

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

Independence

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

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 and the Parent Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.



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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the IET Trustees' Annual Report and Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 requires us to report to you if, in our opinion;

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities, 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

We have been appointed as auditor under section 151 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.

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.

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

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

Non-compliance with laws and regulations

Based on:

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

we considered the significant laws and regulations to be the applicable accounting framework and UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be employment law and data protection.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

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

- Enquiries with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion with the IETs internal auditors regarding whether any areas of their testing have given rise to the identification of weak controls and therefore increased fraud risks;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be posting of inappropriate journal entries and management bias in accounting estimates.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and

- Assessing significant estimates made by management for bias, including:
 - actuarial assumptions used in the valuation of the defined benefit pension scheme;
 - the assessment of whether the defined benefit pension scheme asset is recoverable by the IET;
 - the assumptions used in the valuation of Savoy Hill House;
 - the assessment of the useful economic lives of fixed assets; and
 - the assessment of whether software development costs represent an internally or externally generated intangible asset.

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

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of

not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Piona Condron

BC8C15A11E97446...

BDO LLP, statutory auditor

Gatwick, UK

21 May 2024

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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

Consolidated Statement of Financial Activities

for the year ended 31 December 2023

| | Notes | Unrestricted Funds 2023 £000 | Restricted & Endowment Funds 2023 £000 | Total Funds 2023 £000 | Unrestricted Funds (restated) 2022 £000 | Restricted & Endowment Funds 2022 £000 | Total Funds (restated) 2022 £000 |
|---|-------|---------------------------------------|--|--------------------------------|---|--|--|
| INCOME AND ENDOWMENTS FROM: | | | | | | | |
| Donations and legacies | | - | 814 | 814 | 1 | 553 | 554 |
| Trading activities | 2 | 14,094 | - | 14,094 | 10,178 | - | 10,178 |
| Investment and other income | 3 | 4,039 | 513 | 4,552 | 3,917 | 434 | 4,351 |
| Charitable Activities | | | | | | | |
| Education, policy and awareness | | 676 | - | 676 | 293 | - | 293 |
| Knowledge services and solutions | | 22,882 | - | 22,882 | 30,451 | - | 30,451 |
| Membership and professional development | | 20,458 | - | 20,458 | 19,260 | - | 19,260 |
| Share of profit in joint venture | 2 | 2,938 | - | 2,938 | 2,478 | - | 2,478 |
| Total | | 65,087 | 1,327 | 66,414 | 66,578 | 987 | 67,565 |
| EXPENDITURE ON: | | | | | | | |
| Raising Funds | | | | | | | |
| Fundraising costs | | 429 | - | 429 | 334 | - | 334 |
| Trading activities | | 4,976 | - | 4,976 | 3,663 | - | 3,663 |
| Investment management fees | | 1,001 | 53 | 1,054 | 566 | 50 | 616 |
| Charitable Activities | | | | | | | |
| Education, policy and awareness | | 6,319 | 2,335 | 8,654 | 7,742 | 1,939 | 9,681 |
| Knowledge services and solutions | | 36,528 | - | 36,528 | 33,425 | - | 33,425 |
| Membership and professional development | | 20,677 | - | 20,677 | 19,613 | - | 19,613 |
| Total | 5 | 69,930 | 2,388 | 72,318 | 65,343 | 1,989 | 67,332 |
| Net gains/(losses) on investments | 9 | 7,102 | 2,240 | 9,342 | (12,668) | (2,016) | (14,684) |
| Net income/(expenditure) | | 2,259 | 1,179 | 3,438 | (11,433) | (3,018) | (14,451) |
| Other recognised (losses)/gains: | | | | | | | |
| Remeasurements of net defined benefit pension schemes | 16a | (44) | - | (44) | (3,465) | - | (3,465) |
| Foreign exchange gains arising on retranslation of foreign subsidiaries | | (103) | - | (103) | 81 | - | 81 |
| Net movement in funds/(deficit) | | 2,112 | 1,179 | 3,291 | (14,817) | (3,018) | (17,835) |
| Reconciliation of funds: | | | | | | | |
| Total funds brought forward | | 165,773 | 14,882 | 180,655 | 180,590 | 17,900 | 198,490 |
| Total funds carried forward | 15b | 167,885 | 16,061 | 183,946 | 165,773 | 14,882 | 180,655 |

All income and expenditure is derived from continuing activities.
The Statement of Financial Activities includes all gains and losses recognised in the year.

The Notes on pages 76 to 107 form part of these financial statements.

IET Statement of Financial Activities

for the year ended 31 December 2023

| | Notes | Unrestricted Funds 2023 £000 | Restricted & Endowment Funds 2023 £000 | Total Funds 2023 £000 | Unrestricted Funds (restated) 2022 £000 | Restricted & Endowment Funds 2022 £000 | Total Funds (restated) 2022 £000 |
|---|-------|---------------------------------------|--|--------------------------------|---|--|--|
| INCOME AND ENDOWMENTS FROM: | | | | | | | |
| Donations and legacies | | | | | | | |
| Qualifying charitable donations due to the IET | 2 | 6,698 | - | 6,698 | 4,475 | - | 4,475 |
| Other donations and legacies | | - | 814 | 814 | 1 | 553 | 554 |
| Investment and other income | 3 | 9,619 | 513 | 10,132 | 8,811 | 434 | 9,245 |
| Charitable Activities | | | | | | | |
| Education, policy and awareness | | 677 | - | 677 | 293 | - | 293 |
| Knowledge services and solutions | | 22,622 | - | 22,622 | 30,096 | - | 30,096 |
| Membership and professional development | | 20,108 | - | 20,108 | 18,954 | - | 18,954 |
| Total | | 59,724 | 1,327 | 61,051 | 62,630 | 987 | 63,617 |
| EXPENDITURE ON: | | | | | | | |
| Raising Funds | | | | | | | |
| Fundraising costs | | 429 | - | 429 | 334 | - | 334 |
| Investment management fees | | 1,001 | 53 | 1,054 | 566 | 50 | 616 |
| Charitable Activities | | | | | | | |
| Education, policy and awareness | | 6,319 | 2,335 | 8,654 | 7,742 | 1,939 | 9,681 |
| Knowledge services and solutions | | 36,480 | - | 36,480 | 33,343 | - | 33,343 |
| Membership and professional development | | 20,216 | - | 20,216 | 19,305 | - | 19,305 |
| Total | 5 | 64,445 | 2,388 | 66,833 | 61,290 | 1,989 | 63,279 |
| Net gains/(losses) on investments | 9 | 7,102 | 2,240 | 9,342 | (12,668) | (2,016) | (14,684) |
| Net income/(expenditure) | | 2,381 | 1,179 | 3,560 | (11,328) | (3,018) | (14,346) |
| Other recognised losses: | | | | | | | |
| Remeasurements of net defined benefit pension schemes | 16a | (44) | - | (44) | (3,465) | - | (3,465) |
| Net movement in funds/(deficit) | | 2,337 | 1,179 | 3,516 | (14,793) | (3,018) | (17,811) |
| Reconciliation of funds: | | | | | | | |
| Total funds brought forward | | 164,620 | 14,882 | 179,502 | 179,413 | 17,900 | 197,313 |
| Total funds carried forward | 15b | 166,957 | 16,061 | 183,018 | 164,620 | 14,882 | 179,502 |

All income and expenditure is derived from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The Notes on pages 76 to 107 form part of these financial statements.

Consolidated and IET Balance Sheets

as at 31 December 2023

| | | Group | | Charity | |
|---|-------|----------------|----------------------------|----------------|----------------------------|
| | Notes | 2023 £000 | 2022 £000 (restated) | 2023 £000 | 2022 £000 (restated) |
| Fixed assets | | | | | |
| Intangible assets | 7 | 4,343 | 3,829 | 4,343 | 3,829 |
| Tangible assets | 8 | 39,386 | 41,800 | 39,376 | 41,788 |
| Investments | 9b | 140,799 | 130,020 | 140,297 | 129,714 |
| Total fixed assets | | 184,528 | 175,649 | 184,016 | 175,331 |
| Current assets | | | | | |
| Stock and work in progress | | 258 | 396 | 253 | 391 |
| Debtors | 10 | 11,764 | 11,776 | 11,728 | 14,500 |
| Investments | 9b | 339 | 4,519 | 339 | 4,519 |
| Cash at bank and in hand | | 8,021 | 9,031 | 4,621 | 2,843 |
| Total current assets | | 20,382 | 25,722 | 16,941 | 22,253 |
| Liabilities | | | | | |
| Creditors: Amounts falling due within one year | 11 | (22,829) | (21,304) | (19,804) | (18,670) |
| Net current (liabilities)/assets | | (2,447) | 4,418 | (2,863) | 3,583 |
| Total assets less current liabilities | | 182,081 | 180,067 | 181,153 | 178,914 |
| Creditors: Amounts falling due after more than one year | 12 | (3,562) | (3,474) | (3,562) | (3,474) |
| Net assets excluding pension asset | | 178,519 | 176,593 | 177,591 | 175,440 |
| Defined benefit pension scheme asset | 16 | 5,427 | 4,062 | 5,427 | 4,062 |
| Total net assets | | 183,946 | 180,655 | 183,018 | 179,502 |
| FUNDS | | | | | |
| Endowment funds | | 15,266 | 14,095 | 15,266 | 14,095 |
| Restricted income funds | | 795 | 787 | 795 | 787 |
| Restricted funds | 15 | 16,061 | 14,882 | 16,061 | 14,882 |
| General funds | | 98,163 | 95,341 | 98,496 | 95,614 |
| Designated funds | | 64,295 | 66,370 | 63,034 | 64,944 |
| Pension reserve | 16 | 5,427 | 4,062 | 5,427 | 4,062 |
| Unrestricted funds | | 167,885 | 165,773 | 166,957 | 164,620 |
| Total funds | 15 | 183,946 | 180,655 | 183,018 | 179,502 |

The Notes on pages 76 to 107 form part of these financial statements.

Approved and authorised for issue by the Trustees on 13 May 2024 and signed on their behalf by:

Gopichand Katragadda
Gopichand Katragadda (May 20, 2024 10:35 GMT+5.5)

Dr Gopichand Katragadda BE MS PhD CEng FIET
IET President

May 20, 2024

SHart
SHart (May 17, 2024 14:10 GMT+1)

Dr Simon Hart MEng PhD CEng FIET
Honorary Treasurer

May 17, 2024

Consolidated Statement of Cash Flows

for the year ended 31 December 2023

| | 2023 £000 | 2022 £000 (restated) | | |
|---|-----------------------------|----------------------|---|-----------------------------|
| Cash flows from operating activities: | | | | |
| Net cash used in operating activities | (8,663) | (6,238) | | |
| Cash flows from investing activities: | | | | |
| Interest received | 420 | 97 | | |
| Rent receivable | 827 | 1,372 | | |
| Share of profit in joint venture | 2,938 | 2,478 | | |
| Income from non-property investments | 3,219 | 2,845 | | |
| Investment management fees | (1,053) | (616) | | |
| Purchase of tangible fixed assets (see note below) | (653) | (3,819) | | |
| Purchase of intangible assets | (955) | (1,814) | | |
| Purchase of investments | (1,138) | (19,336) | | |
| Sale of investments | - | 25,336 | | |
| Net cash provided by investing activities | 3,605 | 6,543 | | |
| Cash flows from financing activities: | | | | |
| Finance lease repayments | (132) | (132) | | |
| Net cash used in financing activities | (132) | (132) | | |
| Change in cash and cash equivalents in the year: | (5,190) | 173 | | |
| Cash and cash equivalents at 1 January | 13,550 | 13,377 | | |
| Cash and cash equivalents at 31 December | 8,360 | 13,550 | | |
| Reconciliation of net income to net cash flow used in operating activities | 2023 £000 | 2022 £000 (restated) | | |
| Net income/(expenditure) | 3,438 | (14,451) | | |
| Depreciation | 3,003 | 2,766 | | |
| Amortisation | 441 | 320 | | |
| Net (gains)/losses on investments | (9,446) | 14,684 | | |
| Adjustment to carrying value of joint venture | (195) | (1,258) | | |
| Unwinding of discount on finance lease | 130 | 130 | | |
| Foreign exchange (losses)/gains arising on retranslation of foreign subsidiaries | (103) | 81 | | |
| Decrease/(Increase) in stocks | 138 | (256) | | |
| Decrease/(Increase) in debtors | 12 | (618) | | |
| Increase/(Decrease) in creditors | 1,618 | (146) | | |
| Adjustment for non-cash FRS 102 credit in respect of defined benefit schemes | (221) | (126) | | |
| Contributions paid to defined benefit schemes | (1,188) | (1,188) | | |
| Interest received | (420) | (97) | | |
| Share of profit in joint venture | (2,938) | (2,478) | | |
| Rent receivable | (827) | (1,372) | | |
| Loss on disposal of tangible fixed assets | 61 | - | | |
| Income from non-property investments | (3,219) | (2,845) | | |
| Investment management fees | 1,053 | 616 | | |
| Net cash used in operating activities | (8,663) | (6,238) | | |
| Analysis of cash and cash equivalents | 2023 £000 | 2022 £000 | | |
| Cash held as part of current asset investments | 339 | 4,519 | | |
| Cash at bank and in hand | 8,021 | 9,031 | | |
| | 8,360 | 13,550 | | |
| Analysis of changes in net fund | At 31 December 2022 £000 | Cashflows £000 | Unwinding of discount on finance lease obligation £000 | At 31 December 2023 £000 |
| Cash at bank and in hand | 9,031 | (1,010) | - | 8,021 |
| Cash held as part of current asset investments | 4,519 | (4,180) | - | 339 |
| Finance lease obligations | (2,376) | 132 | (130) | (2,374) |
| | 11,174 | (5,058) | (130) | 5,986 |
| Purchase of Tangible Fixed Assets | 2023 £000 | 2022 £000 | | |
| Tangible Fixed Assets Additions per Note 8 | 650 | 3,397 | | |
| Other amounts paid in the year relating to amounts outstanding at 1 January | 302 | 724 | | |
| Amounts to be paid as at 31 December | (299) | (302) | | |
| Amount included in Consolidated Statement of Cash Flows | 653 | 3,819 | | |

The Notes on pages 76 to 107 form part of these financial statements.

Notes forming part of the Financial Statements

for the year ended 31 December 2023

1. Accounting policies

Basis of preparation

These financial statements have been prepared under the historical cost convention, as modified by the inclusion of certain financial instruments at fair value, and 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) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 as amended. The prior year figures have been restated. See note 17 for further details.

The IET achieves its public benefit purpose by encouraging the next generation of engineers, disseminating and exchanging technical knowledge; enhancing capability, professionalism and innovation, together with an improved understanding of how science, engineering and technology can provide solutions to meet society's needs. The Trustees have paid due regard to the public benefit guidance published by the Charity Commission.

Preparation of the accounts on a going concern basis

The Trustees confirm that at the time of approving the financial statements, there are no material uncertainties regarding the Charity's ability to continue in operational existence for the foreseeable future. In arriving at this conclusion, the Trustees have considered a period of at least 12 months from the approval date of these accounts and have taken account of current and anticipated financial performance, liquidity, its reserves position and the ability to draw down on readily realisable investments as required. For this reason, the going concern basis continues to be adopted in the preparation of the Charity's financial statements.

Key judgments and assumptions

The most significant areas of judgment and assumption that affect items in the accounts include the actuarial assumptions which underpin the Pension Scheme Liability (see Note 16 for more information), the determination that the net pension asset meets the definition of an asset which can be recognised on the balance sheet, and the accounting treatment and assumptions that underpin the valuation of Savoy Hill House. This property has been accounted for wholly as an investment property. The percentage of the

property used for operational use is less than 10% of the floor space and as such is considered a trivial amount; furthermore, this element is not capable of being sold or leased out separately. Judgement also has to be applied in determining whether software development costs represent an internally or externally generated intangible asset. In particular, where developers are sourced from third parties, judgement may need to be applied in determining if the supplier is bearing a significant proportion of the risks associated with a failure of the project. With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the IET are the level of investment return and the performance of investment markets (see the Investment Policy within the Trustees' Annual Report and Note 9).

Constitution

The Institution of Engineering and Technology (IET) is incorporated by Royal Charter and registered with the Charity Commission for England and Wales under charity number 211014 and the Office of the Scottish Charity Regulator under charity number SC038698.

Basis of Consolidation

The Group accounts incorporate the financial statements of the IET and its subsidiaries on a line-by-line basis. All subsidiaries have co-terminous year-ends to the IET, apart from The Institution of Engineering and Technology ("IET India"), IET Services (India) Private Limited ("IET Services India") and IET Solutions (India) Private Limited ("IET Solutions") which have financial year ends of 31 March.

Income

Income is accounted for when receivable. Income received from perpetual access to journal archives is recognised in full at the point of sale. In the case of membership subscriptions and subscriptions for journals and electronic services any receipt in respect of future years is shown as Amounts received in advance.

Government grants are accounted for when performance related conditions are met. For grants where no performance related conditions are imposed, income is recognised when the grant proceeds are receivable.

Legacies are accounted for when considered receivable.

Investment income and donations are accounted for when receivable. During the year, the IET collected membership fees on behalf of The Engineering Council and the Chartered Management Institute. Any such amounts collected are then passed onto the respective organisation. As the IET is acting as an agent in the collection of these fees, they are not recognised as income or an asset in the financial statements.

Expenditure

Charitable Expenditure includes direct costs and support costs. Support costs comprise those necessary costs which do not themselves produce the output of the charity, including central office functions and governance costs as shown in Note 5a. Such administration and accommodation support costs

have generally been allocated on a departmental staff headcount basis.

Governance costs are the costs associated with constitutional and statutory requirements and the strategic management of the charity's activities. The costs of raising funds are the costs associated with generating income other than those derived from undertaking charitable or trading activities.

Foreign Currency Transactions

Foreign currency transactions are converted at the rate ruling on the date of the transaction. Outstanding balances are translated into sterling at the rates ruling at the balance sheet date. Any exchange differences arising are taken to the SoFA.

Taxation

The IET is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly, the IET is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Grants payable

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the IET. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the IET.

Intangible Fixed Assets

Externally generated intangible assets are capitalised at cost and amortised on a straight-line basis over 4 years, which is the estimated useful economic life of the asset given the history of rapid change in computer software and susceptibility to technological obsolescence. The amortisation charge for computer software is either allocated directly to the relevant charitable activity or included as part of support costs which in turn are allocated across charitable activities on a departmental headcount basis.

Tangible Fixed Assets and Depreciation

Depreciation is provided on fixed assets so as to write them off over their estimated useful lives as follows:

Mechanical and Electrical Installations
Straight-line over 15 years

Furniture, fittings and equipment
Straight-line over 10 years

Computer and electronic equipment
Straight-line over 4 years

London Crown leases, other leasehold and freehold buildings
Straight-line over the lower of the length of the lease or 50 years

Assets in the course of construction are not depreciated. Savoy Place and Futures Place are capitalised at historic cost. Austin Court is capitalised at deemed cost. Other assets costing less than £2,500 are written off in the year of purchase. Exhibits and associated artwork are not capitalised and are written off in the year of purchase.

The IET does not capitalise its heritage assets as neither reliable cost information nor comprehensive valuations are readily available and such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the Charity. Furthermore, there is no intention for resale (see Note 8 for further detail).

Investments

Non-property investments are included in the balance sheet at fair value being the quoted bid price or, where bid prices are not available, the net asset value ("NAV"). Investments in underlying investments in the private markets vehicles shall, in principle, be valued at their last available net asset value as reported or provided by these funds or their agents. Such net asset value may be adjusted for subsequent net capital movements (i.e. capital calls, distributions etc.) where deemed appropriate by the Alternative Investment Fund Manager ("AIFM"). The AIFM may, in its discretion, permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset or liability of the Fund (or its Sub-Funds). This method will then be applied in a consistent way.

Securities or investment instruments that are listed on a stock exchange or dealt in on another regulated market, are valued at their last available sales prices reported on such exchange on the valuation day or, if no prices were quoted on such date, at the last reported "bid" price (in the case of a security or investment held long) and the last reported "ask" (in case of a security or investment sold short) on the valuation day, if no such prices have been quoted on such date, at the value assigned reasonably and in good faith by AIFM.

Securities or investments that are not listed on a stock exchange or dealt in on another regulated market as well as other non-listed assets (excluding interest in underlying funds, which will be valued in accordance with an investment structure) will be valued on the basis of the probable net realisation value (excluding any deferred taxation) estimated reasonably and in good faith by the AIFM. Short-term securities with remaining maturities of one year or less at the time of purchase are valued at cost or any other valuation methods as deemed appropriate.

The value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interests declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.

Realised and unrealised gains/losses are recognised in full in the SoFA. Investment income is accounted for when receivable, with account taken of the tax credit at the time of receipt of the net income.

Investment property has been valued at the year-end date in accordance with the RICS valuation – Global Standards 2020 ("the Red Book") and has been valued at fair market value in accordance with FRS 102. As such, no depreciation is charged during the year. Gains or losses arising on revaluation are credited or charged respectively to the SoFA under "Net gains/(losses) on investments". Key assumptions of the valuation include the following yield profile:

- Net Initial Yield: 2.73% (PY: 2.2%)
- Equivalent Yield: 7.04% (PY: 6.1%)
- Reversionary Yield: 8.48% (PY: 7.25%)

Investments in subsidiary undertakings are accounted for at historic cost less impairment. Investments in joint ventures are accounted for using the equity method in the Group financial statements. Current asset investments include:

- i) cash on deposit and cash equivalents with a maturity period of between 3 and 12 months from the date of acquisition; and
- ii) cash held for investment purposes as part of the investment portfolio, but expected to be drawn down for operational requirements within 12 months of the reporting date rather than held as a long term investment.

Stocks & Work-In-progress

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due provision for slow moving and obsolete items.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. The exceptions to this are investments which are measured at fair value.

Cash at bank and in hand

Cash at bank and in hand includes deposits which can be withdrawn within 24 hours without penalty and short-term deposits which have a maturity period of 3 months or less from the date of acquisition and are not subject to significant risk of changes in value.

Liabilities

Liabilities (including termination payments) 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.

Leasing

Finance lease obligations are included within Creditors. Non-investment property assets held under finance leases are capitalised and depreciated over the shorter of the lease term or 50 years.

Lease obligations on investment properties are treated as finance leases. The lease obligation is quantified at the point of the lease inception or the property becoming an investment property, whichever occurs later, based on the present value of the minimum lease payments, and is included in creditors. Any adjustments to the rent payable under such leases due to periodic rent reviews is considered to be contingent rent. Contingent rent is treated as expenditure as it becomes payable.

Rentals paid under operating leases are charged in the SoFA on a straight-line basis over the lease term.

Fund accounting

Restricted funds are subject to specific restrictions imposed by the donor.

They include 'Restricted income funds' which are spent or applied within a reasonable period from their receipt or 'Endowment funds' originating from donations or bequests and invested to enable future expenditure in line with the restrictions of the donor. Endowment funds can be either permanent or expendable. Permanent endowment funds are held indefinitely, and the capital cannot be expended. Expendable endowments allow the Trustees to exercise the power to expend or apply the capital in line with the restriction.

Restricted Income Funds are not considered to be material in total and as such are not disclosed separately on the face of the SoFA. Summarised information is included in Note 15 on Reserves.

Designated funds are set aside by the Trustees for specific purposes but would otherwise form part of the general funds. General funds are available to spend at the discretion of the Trustees in furtherance of the charitable objectives of the IET. Further explanations are set out in Note 15.

Pension Costs

In accordance with "FRS 102–Employee Benefits", both the operating and financial costs of pension and other post-retirement benefits are recognised in the SoFA. Pension cost is assessed in accordance with the advice of a qualified Actuary. Actuarial gains and losses arising are recognised within the "Other recognised gains/(losses)" category of the SoFA under the heading "Remeasurements of net defined benefit pension schemes". The provisions of "FRS 102–Employee Benefits" have been fully complied with and the relevant disclosures are made in Note 16. Contributions to defined contribution schemes are charged in the SoFA in the year they are due.

Defined benefit plan

For the defined benefit retirement plan, the cost of providing benefits is determined using the projected unit credit method.

Pension Scheme Liability/Asset

The net defined benefit liability represents the present value of the defined benefit obligation minus the fair value of plan assets out of which obligations are to be settled. Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan. Such assets are recognised in the balance sheet on the basis that the IET has an unconditional right to a refund of any ultimate surplus from the scheme.

The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains/Losses

Gains or losses recognised in other recognised gains/(losses):

- Actuarial gains and losses.
- The difference between the interest income on the plan assets and the actual return on the plan assets.

Irrecoverable VAT

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

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- No cash flow statement or net debt reconciliation has been presented for the parent company; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

2. Trading activities and subsidiaries

The Group's financial statements incorporate all the IET's wholly owned subsidiary companies. Throughout 2023 the IET had two active wholly owned non-charitable trading subsidiary undertakings registered in England and Wales, IET Services Limited (IETSL), company registration number 909719, and IET Conventions Limited (IETCL), company registration number 3566585, both of which are consolidated. IETCL changed its name from IEE Conventions Limited (IEECL) on 27 November 2023. The profit and loss accounts of these subsidiaries are shown below, and net profits are donated to the IET under a Deed of Covenant.

IETSL provides magazine publishing, conference, advertising and recruitment services, and rent of surplus IET accommodation and related services such as catering. The principal activity of IETCL is the provision of conference and exhibition services. IETCL accounts for its respective 34% shares in IBC Show Limited (formerly International Broadcasting Convention Limited), International Broadcasting Convention LLP (IBC LLP) and International Broadcasting Convention Partnership (IBC Partnership) under the cost model in its individual financial statements, measuring its investments at cost and distributions received from the investments as income. On 31 December 2023, the business and assets of IBC Partnership were transferred to IBC LLP. IETCL is jointly and severally liable together with the other partners for the IBC's obligations: the Trustees consider that the possibility of a transfer of economic benefits is remote and therefore have not disclosed a contingent liability in connection with the joint venture.

| | IETSL 2023 £000 | IETSL 2022 £000 | IETCL 2023 £000 | IETCL 2022 £000 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Turnover – external | 14,094 | 10,178 | - | - |
| Turnover – intercompany | 4,589 | 4,338 | - | - |
| Turnover – total | 18,683 | 14,516 | - | - |
| Share of Joint Venture Profits | - | - | 2,938 | 2,478 |
| Cost of Sales | (14,076) | - | - | - |
| Gross Profit | 4,607 | 2,938 | 2,938 | 2,478 |
| Distribution Costs | (851) | (923) | - | - |
| Administration Expenses | (25) | (3) | - | - |
| Operating Profit | 3,731 | 2,012 | 2,938 | 2,478 |
| Net Interest Receivable/Payable | 29 | (13) | - | - |
| Profit on Ordinary Activities before Tax | 3,760 | 1,999 | 2,938 | 2,478 |
| Tax on ordinary activities | - | - | - | - |
| Profit for the Financial Year | 3,760 | 1,999 | 2,938 | 2,478 |
| Statement of Changes in Equity: | | | | |
| Balance at 1 January | 800 | 800 | 116 | 114 |
| Profit for the Financial Year | 3,760 | 1,999 | 2,938 | 2,478 |
| Qualifying charitable donations due to the IET | (3,760) | (1,999) | (2,938) | (2,476) |
| Balance at 31 December | 800 | 800 | 116 | 116 |
| Comprising – assets | 4,186 | 6,766 | 1,562 | 1,366 |
| – liabilities | (3,386) | (5,966) | (1,446) | (1,250) |

2a. Other subsidiaries

The IET has four principal wholly-owned subsidiaries registered outside England & Wales and Scotland to support its charitable activities, details of which are set out below.

IET USA, Inc. is located in Edison, New Jersey; its Federal Identification Number is 76-0563925. The two principal channels of business for IET USA, Inc. are reseller support activity and direct sales of books and journals.

Institution of Engineering and Technology (IET (India)), company registration number U80903KA2007NPL044461, is registered in Bangalore as a not-for-profit company incorporated under section 25 of the Indian Companies Act with charitable objects consistent with those of the IET in the UK. IET (India) carries on volunteer activity in India. IET Services (India) Private Limited (IET Services (India)), company registration number U93000KA2012FTC064117 carries out specific activities, including the sale of IET memberships locally in India.

IET Engineering & Technology (Beijing) Consultancy Ltd (IET (Beijing)), registration number 110000450079713, is registered in China. The business scope of this wholly foreign owned enterprise (WFOE) allows it to perform certain activities on its own account being events and professional registration and training activity, as well as providing consultancy services to the Group in connection with engineering technology. IET uses IETSL to contract such services.

All of these subsidiaries are owned directly by the IET with the exception of IET (Beijing) which is owned by IET Services Limited, itself a directly owned subsidiary of the IET.

The financial results of the IET's principal non-UK subsidiaries for the year were as follows:

| | IET USA Inc. £000 | IET (India) £000 | IET Services (India) £000 | IET (Beijing) £000 | Total 2023 £000 | Total 2022 £000 |
|---|-------------------------|------------------------|------------------------------------|--------------------------|-----------------------|-----------------------|
| External income | 866 | 3 | 205 | 281 | 1,355 | 1,568 |
| Intragroup income | 918 | 176 | 507 | 910 | 2,511 | 2,337 |
| External expenditure | (990) | (188) | (577) | (1,244) | (2,999) | (2,756) |
| Intragroup expenditure | (606) | - | (77) | - | (683) | (891) |
| Dividend payable | (244) | - | - | - | (244) | (357) |
| Funds (used by)/retained by the subsidiary | (56) | (9) | 58 | (53) | (60) | (99) |
| Net assets | 383 | 154 | 600 | 454 | 1,591 | 1,755 |

3. Investment and other income

| | Group 2023 £000 | Group 2022 £000 | Charity 2023 £000 | Charity 2022 £000 |
|--|-----------------------|-----------------------|-------------------------|-------------------------|
| Income from equities | 1,355 | 1,097 | 1,355 | 1,097 |
| Income from bonds | 1,864 | 1,748 | 1,864 | 1,748 |
| Interest received on cash | 420 | 97 | 272 | 64 |
| Rent receivable | 827 | 1,372 | 827 | 1,372 |
| Dividend receivable | - | - | 249 | 387 |
| Other income received from subsidiary undertakings | - | - | 5,499 | 4,540 |
| Other income - external | 86 | 37 | 66 | 37 |
| | 4,552 | 4,351 | 10,132 | 9,245 |

4. Net income/(expenditure)

This is stated after charging:

| | Group 2023 £000 | Group 2022 £000 | Charity 2023 £000 | Charity 2022 £000 |
|---|-----------------------|-----------------------|-------------------------|-------------------------|
| Depreciation | 3,003 | 2,766 | 2,999 | 2,761 |
| Foreign exchange losses arising on transactions | 216 | 158 | 209 | 174 |
| Payments under operating leases: | | | | |
| - Land and buildings rents | 716 | 652 | 544 | 508 |
| - Other | 2,001 | 13 | 1,997 | 10 |
| Auditor's remuneration: | | | | |
| - Statutory Audit | 119 | 111 | 103 | 96 |
| - Taxation | 16 | 25 | 7 | 19 |
| - Other services | 31 | - | 31 | - |

5. Analysis of total expenditure

| Group | Direct costs £000 | Grant funding of activities £000 | Support costs (Note 5a) £000 | Total 2023 £000 | Total 2022 £000 (restated) |
|--|-------------------------|--|---------------------------------------|-----------------------|-------------------------------------|
| Charitable activities | | | | | |
| Education, policy and awareness | 4,359 | 1,371 | 2,924 | 8,654 | 9,681 |
| Knowledge services and solutions | 21,201 | - | 15,327 | 36,528 | 33,425 |
| Membership and professional development | 10,569 | - | 10,108 | 20,677 | 19,613 |
| Total charitable activities expenditure | 36,129 | 1,371 | 28,359 | 65,859 | 62,719 |
| Fundraising costs | 163 | - | 266 | 429 | 334 |
| Trading activities | 4,976 | - | - | 4,976 | 3,663 |
| Investment management fees | 1,054 | - | - | 1,054 | 616 |
| Total group expenditure | 42,322 | 1,371 | 28,625 | 72,318 | 67,332 |

| IET | Direct costs £000 | Grant funding of activities £000 | Support costs (Note 5a) £000 | Total 2023 £000 | Total 2022 £000 (restated) |
|--|-------------------------|--|---------------------------------------|-----------------------|-------------------------------------|
| Charitable activities | | | | | |
| Education, policy and awareness | 4,359 | 1,371 | 2,924 | 8,654 | 9,681 |
| Knowledge services and solutions | 21,153 | - | 15,327 | 36,480 | 33,343 |
| Membership and professional development | 10,108 | - | 10,108 | 20,216 | 19,305 |
| Total charitable activities expenditure | 35,620 | 1,371 | 28,359 | 65,350 | 62,329 |
| Fundraising costs | 163 | - | 266 | 429 | 334 |
| Investment management fees | 1,054 | - | - | 1,054 | 616 |
| Total charitable expenditure | 36,837 | 1,371 | 28,625 | 66,833 | 63,279 |

5a. Support costs

| Group and IET | Finance & corporate £000 | IT £000 | Human resources £000 | Property & offices £000 | Governance £000 | Total 2023 £000 | Total 2022 £000 (restated) |
|---|-----------------------------|--------------|-------------------------|----------------------------|--------------------|-----------------------|-------------------------------------|
| Charitable activities | | | | | | | |
| Education, policy and awareness | 879 | 894 | 174 | 929 | 48 | 2,924 | 3,556 |
| Knowledge services and solutions | 4,607 | 4,687 | 913 | 4,869 | 251 | 15,327 | 11,908 |
| Membership and professional development | 3,038 | 3,091 | 602 | 3,211 | 166 | 10,108 | 9,659 |
| | 8,524 | 8,672 | 1,689 | 9,009 | 465 | 28,359 | 25,123 |
| Fundraising costs | 80 | 81 | 16 | 85 | 4 | 266 | 188 |
| Total | 8,604 | 8,753 | 1,705 | 9,094 | 469 | 28,625 | 25,311 |

Administration and accommodation support costs have generally been allocated to charitable activities on a departmental staff headcount basis.

5b. Analysis of grants – Group

| | Grant to institution 2023 £000 | Grants to individuals 2023 £000 | Support costs 2023 £000 | Total 2023 £000 | Grant to institution 2022 £000 | Grants to individuals 2022 £000 | Support costs 2022 £000 | Total 2022 £000 |
|--|--------------------------------------|---------------------------------------|-------------------------------|-----------------------|--------------------------------------|---------------------------------------|-------------------------------|-----------------------|
| Education, policy and awareness | | | | | | | | |
| Research | 334 | - | 4 | 338 | 446 | - | 4 | 450 |
| Scholarships, awards and prizes | - | 471 | 539 | 1,010 | - | 536 | 59 | 595 |
| Hardship and financial assistance | - | 23 | - | 23 | - | 20 | - | 20 |
| Total | 334 | 494 | 543 | 1,371 | 446 | 556 | 63 | 1,065 |

| | Grant to institution 2023 Number | Grants to individuals 2023 Number | Support costs 2023 Number | Total 2023 Number | Grant to institution 2022 Number | Grants to individuals 2022 Number | Support costs 2022 Number | Total 2022 Number |
|--|--|---|---------------------------------|-------------------------|--|---|---------------------------------|-------------------------|
| Education, policy and awareness | | | | | | | | |
| Research | 1 | - | - | 1 | 1 | - | - | 1 |
| Scholarships, awards and prizes | - | 246 | - | 246 | - | 926 | - | 926 |
| Hardship and financial assistance | - | 35 | - | 35 | - | 68 | - | 68 |
| Total | 1 | 281 | - | 282 | 1 | 994 | - | 995 |

5c. Analysis of grants – Charity

| | Grant to institution 2023 £000 | Grants to individuals 2023 £000 | Support costs 2023 £000 | Total 2023 £000 | Grant to institution 2022 £000 | Grants to individuals 2022 £000 | Support costs 2022 £000 | Total 2022 £000 |
|--|---|--|----------------------------------|-----------------------|---|--|----------------------------------|-----------------------|
| Education, policy and awareness | | | | | | | | |
| Research | 334 | - | 4 | 338 | 446 | - | 4 | 450 |
| Scholarships, awards and prizes | - | 471 | 539 | 1,010 | - | 513 | 59 | 572 |
| Hardship and financial assistance | - | 23 | - | 23 | - | 20 | - | 20 |
| Total | 334 | 494 | 543 | 1,371 | 446 | 533 | 63 | 1,042 |

| | Grant to institution 2023 Number | Grants to individuals 2023 Number | Support costs 2023 Number | Total 2023 Number | Grant to institution 2022 Number | Grants to individuals 2022 Number | Support costs 2022 Number | Total 2021 Number |
|--|---|--|------------------------------------|-------------------------|---|--|------------------------------------|-------------------------|
| Education, policy and awareness | | | | | | | | |
| Research | 1 | - | - | 1 | 1 | - | - | 1 |
| Scholarships, awards and prizes | - | 246 | - | 246 | - | 900 | - | 900 |
| Hardship and financial assistance | - | 35 | - | 35 | - | 68 | - | 68 |
| Total | 1 | 281 | - | 282 | 1 | 968 | - | 969 |

The IET Awards programme helps to deliver the IET's vision, by underpinning our mission: to inspire, inform and influence the global engineering community, supporting technology innovation to meet the needs of society.

The programme includes awards for individual excellence, pioneering research, scholarships, travel awards, prizes and competitions. We also recognise the most innovative companies and the best new innovations across the world. All activities are undertaken by the IET directly, apart from research activities which are carried out through grant funding to third parties.

The Grant to Institution during the year represents the IET's A F Harvey Engineering Research Prize which was awarded through the host organisation University College London, UK. The host organisation in 2022 was Heriot-Watt University, Edinburgh, UK.

6. Employees

Total employment costs of the Group and IET staff in the year were:

| | Group 2023 £000 | Group 2022 £000 | Charity 2023 £000 | Charity 2022 £000 |
|--|-----------------------|-----------------------|-------------------------|-------------------------|
| Payroll costs: | | | | |
| Salaries and overtime | 24,268 | 24,233 | 22,074 | 21,527 |
| Social Security | 2,669 | 2,744 | 2,347 | 2,398 |
| Pension and other benefits | | | | |
| - defined benefit pension schemes | (221) | (126) | (221) | (126) |
| - defined contribution pension scheme | 3,143 | 2,678 | 2,953 | 2,543 |
| - other payments | 443 | 480 | 438 | 378 |
| Operating costs of defined benefit schemes | 578 | 439 | 578 | 439 |
| Termination payments | 981 | 249 | 522 | 249 |
| | 31,861 | 30,697 | 28,691 | 27,408 |

The average monthly number of staff employed by the IET in the year was 550 (2022: 571) and by the Group was 608 (2022: 634), made up as follows:

| | Group 2023 Number | Group 2022 Number | Charity 2023 Number | Charity 2022 Number |
|-----------------------|-------------------------|-------------------------|---------------------------|---------------------------|
| Charitable activities | 585 | 601 | 548 | 569 |
| Trading activities | 21 | 31 | - | - |
| Governance | 2 | 2 | 2 | 2 |
| | 608 | 634 | 550 | 571 |

The numbers of employees whose emoluments including taxable benefits in kind and bonuses paid, but excluding pension costs deducted through salary sacrifice and accrued bonuses, exceeded £60,000 were within the following bands:

| | Group 2023 Number | Group 2022 Number | Charity 2023 Number | Charity 2022 Number |
|---------------------|-------------------------|-------------------------|---------------------------|---------------------------|
| £60,000 - £69,999 | 25 | 13 | 20 | 12 |
| £70,000 - £79,999 | 20 | 17 | 15 | 12 |
| £80,000 - £89,999 | 9 | 12 | 7 | 11 |
| £90,000 - £99,999 | 9 | 5 | 8 | 4 |
| £100,000 - £109,999 | 2 | - | 1 | - |
| £110,000 - £119,999 | 3 | 7 | 3 | 6 |
| £120,000 - £129,999 | 2 | 1 | 2 | - |
| £130,000 - £139,999 | 2 | 1 | 2 | - |
| £140,000 - £149,999 | 3 | 2 | 1 | 1 |
| £150,000 - £159,999 | 1 | - | - | - |
| £160,000 - £169,999 | - | 2 | - | 2 |
| £170,000 - £179,999 | 1 | - | 1 | - |
| £190,000 - £199,999 | 2 | 1 | 1 | 1 |
| £210,000 - £219,999 | - | 1 | - | 1 |
| £230,000 - £239,999 | - | 2 | - | 1 |
| £260,000 - £269,999 | 1 | - | 1 | - |

For the Group, 6 of the above employees (2022: six) and for the Charity 5 of the above employees (2022: six) were deferred members of the defined benefit IET Superannuation and Assurance Scheme.

For the Group, 69 of the above employees were members of the IET's defined contribution scheme (2022: 54). For the Group, pension payments in respect of the relevant employees to the defined contribution scheme totalled £810,808 (2022: £623,095).

For the Charity, 60 of the above employees were members of the IET's defined contribution scheme (2022: 50). For the Charity, pension payments in respect of the relevant employees to the defined contribution scheme totalled £765,383 (2022: £591,100).

6a. Remuneration and benefits received by key management personnel

IET considers the key management personnel of the organisation to comprise the Trustees, together with the Chief Executive and Secretary (CES) and other members of the Executive Team who routinely attend Board of Trustees meetings. The aggregate remuneration and benefits of those personnel for services to the Charity and Group in the year amounted to £1,676,203 (2022: £1,550,051). In addition, employer's national insurance contributions were £148,880 (2022: £167,503). Of these amounts £nil (2022: £nil) related to the Trustees.

The emoluments of the CES, including benefits in kind and any payments in lieu of pension contributions, amounted to £309,850 in the year (2022: £300,608 combined emoluments for the two staff members employed in the CES role during that year). In addition, employer's national insurance contributions were £23,291 (2022: £47,788 combined employer's national insurance contributions for the two staff members employed in the CES role during that year). The current CES is a member of IET's defined contribution pension scheme. Employer's pension contributions to this scheme for the CES in the year were £79,933 (2022: £11,501). In arriving at the 2022 figure for total CES emoluments, the current CES' bonus for the year was split between his time working as a member of the Executive team and his time working as the CES. 2 members (2022: 2 members) of Key Management Personnel (including the CES) are members of the defined benefit IET Superannuation and Assurance Scheme.

7. Intangible fixed assets – Group and Charity

| | Computer software £000 (restated) |
|----------------------------------|---|
| Cost | |
| At 1 January 2023 | 4,275 |
| Additions | 955 |
| Disposals | - |
| At 31 December 2023 | 5,230 |
| Accumulated Amortisation: | |
| At 1 January 2023 | 446 |
| Amortisation for the year | 441 |
| Disposals | - |
| At 31 December 2023 | 887 |
| Net book value: | |
| At 31 December 2023 | 4,343 |
| At 31 December 2022 | 3,829 |

Intangible assets comprise purchased software for IET's internal systems. Individually material intangible assets include purchased software to replace IET's existing legacy membership platform and upgrade core IT systems supporting the delivery of IET's strategy, finance and customer relationship management applications. The cost during 2023 was £883,000 (2022: £1,294,000) and the net book value at 31 December 2023 was £3,414,000 (31 December 2022: £2,531,000). The asset will be amortised over a 4-year period, which will commence once this asset is brought into use.

The amount of contractual commitments for the acquisition of intangible assets at 31 December 2023 was £540,000 (31 December 2022: £644,000).

8. Tangible fixed assets – Group

| | Long Leasehold buildings £000 | Freehold building - Futures Place £000 | Mechanical and Electrical Installations £000 | Furniture, fittings and equipment £000 | Computers and Electronic Equipment £000 | Total £000 |
|----------------------------------|-------------------------------------|--|---|--|--|---------------|
| Cost: | | | | | | |
| At 1 January 2023 | 16,902 | 12,120 | 21,178 | 5,376 | 5,730 | 61,306 |
| Additions | - | 6 | - | 135 | 509 | 650 |
| Transfers | - | - | (23) | 18 | 5 | - |
| Disposals | - | - | (52) | (18) | - | (70) |
| At 31 December 2023 | 16,902 | 12,126 | 21,103 | 5,511 | 6,244 | 61,886 |
| Accumulated Depreciation: | | | | | | |
| At 1 January 2023 | 3,026 | 3,776 | 6,192 | 2,444 | 4,068 | 19,506 |
| Depreciation for the year | 340 | 222 | 1,407 | 452 | 582 | 3,003 |
| Disposals | - | - | (3) | (6) | - | (9) |
| At 31 December 2023 | 3,366 | 3,998 | 7,596 | 2,890 | 4,650 | 22,500 |
| Net book value: | | | | | | |
| At 31 December 2023 | 13,536 | 8,128 | 13,507 | 2,621 | 1,594 | 39,386 |
| At 31 December 2022 | 13,876 | 8,344 | 14,986 | 2,932 | 1,662 | 41,800 |

8a. Tangible fixed assets – IET

| | Long Leasehold buildings £000 | Freehold building - Futures Place £000 | Mechanical and Electrical Installations £000 | Furniture, fittings and equipment £000 | Computers and Electronic Equipment £000 | Total £000 |
|----------------------------------|-------------------------------------|--|---|--|--|---------------|
| Cost: | | | | | | |
| At 1 January 2023 | 16,902 | 12,120 | 21,178 | 5,300 | 5,730 | 61,230 |
| Additions | - | 6 | - | 133 | 509 | 648 |
| Transfers | - | - | (23) | 18 | 5 | - |
| Disposals | - | - | (52) | (18) | - | (70) |
| At 31 December 2023 | 16,902 | 12,126 | 21,103 | 5,433 | 6,244 | 61,808 |
| Accumulated Depreciation: | | | | | | |
| At 1 January 2023 | 3,026 | 3,776 | 6,192 | 2,380 | 4,068 | 19,442 |
| Depreciation for the year | 340 | 222 | 1,407 | 448 | 582 | 2,999 |
| Disposals | - | - | (3) | (6) | - | (9) |
| At 31 December 2023 | 3,366 | 3,998 | 7,596 | 2,822 | 4,650 | 22,432 |
| Net book value: | | | | | | |
| At 31 December 2023 | 13,536 | 8,128 | 13,507 | 2,611 | 1,594 | 39,376 |
| At 31 December 2022 | 13,876 | 8,344 | 14,986 | 2,920 | 1,662 | 41,788 |

Heritage assets

The IET Library and Archives was founded in 1880, and houses around 6 linear kilometres of books, journals, archive collections, audio-visual material and heritage objects (including paintings and sculpture) which date from the late 14th century to the present day. This collection was awarded Designated Status in 2006 (the scheme is now managed by the Arts Council) in recognition of its national and international importance. The core collection is stored in the IET's London headquarters at Savoy Place, with the remainder of the collection stored offsite in heritage quality storage. The IET Archives were awarded Accreditation by the National Archives in 2023.

The collection is managed by professional staff, with expert conservation advice from the National Conservation Service. The archives and rare books are housed in purpose-built storage in Savoy Hill House, which also includes a reading room for researchers. Online catalogues for both the Library and Archives can be found on the IET website at theiet.org/library.

The Library's Knowledge Centre at Savoy Place reopened to visitors in May 2021, while maintaining remote access to the digital collections at theiet.org/membership/library-and-archives/ebooks-ejournals-and-other-digital-resources.

9. Investments – Group

| | Non-property investments £000 | Investment property £000 | Total £000 |
|---|-------------------------------------|--------------------------------|----------------|
| At 1 January 2023 | 114,963 | 19,576 | 134,539 |
| Acquisitions at Cost | 3,317 | 1,138 | 4,455 |
| Proceeds from Sale of Investments | (3,213) | - | (3,213) |
| Decrease in Current Asset Investments | (4,180) | - | (4,180) |
| Net Investment Gains/(Losses) | 10,952 | (1,610) | 9,342 |
| Adjustment to carrying value of joint venture | 195 | - | 195 |
| At 31 December 2023 | 122,034 | 19,104 | 141,138 |
| Finance lease relating to investment property (Notes 11 and 12) | - | (2,374) | (2,374) |
| Total net investments | 122,034 | 16,730 | 138,764 |
| Historical Cost at 31 December 2023 | 106,821 | 8,365 | 115,186 |
| Unrealised Gains | 15,213 | 8,365 | 23,578 |
| Realised Losses based on historic cost | (1,064) | - | (1,064) |

9a. Investments – IET

| | Non-property investments £000 | Investment property £000 | Investments held at cost £000 | Total £000 |
|---|-------------------------------------|--------------------------------|-------------------------------------|----------------|
| At 1 January 2023 | 113,596 | 19,576 | 1,061 | 134,233 |
| Acquisitions at Cost | 3,317 | 1,138 | - | 4,455 |
| Proceeds from Sale of Investments | (3,213) | - | (1) | (3,214) |
| Decrease in Current Asset Investments | (4,180) | - | - | (4,180) |
| Net Investment Gains/(Losses) | 10,952 | (1,610) | - | 9,342 |
| At 31 December 2023 | 120,472 | 19,104 | 1,060 | 140,636 |
| Finance lease relating to investment property (Notes 11 and 12) | - | (2,374) | - | (2,374) |
| Total net investments | 120,472 | 16,730 | 1,060 | 138,262 |
| Historical Cost at 31 December 2023 | 106,719 | 8,365 | 1,060 | 116,144 |
| Unrealised Gains | 13,753 | 8,365 | - | 22,118 |
| Realised Losses based on historic cost | (1,064) | - | - | (1,064) |

The Investment Property for both the Group and the IET (Savoy Hill House) was valued as at 31 December 2023 by RICS Registered Valuers from Avison Young. The Valuers are not employees or officers of the IET. The valuation has been undertaken in accordance with the *RICS Valuation – Global Standards 2020* ("the Red Book") and has been valued on the basis of Fair Value. The Investment Property is accounted for as a finance lease. Lease payments are contingent on estimated rental value. Rent reviews occur formally every five years.

9b. Analysis of Investments

| | Group 2023 £000 | Group 2022 £000 | Charity 2023 £000 | Charity 2022 £000 |
|---|-----------------------|-----------------------|-------------------------|-------------------------|
| Fixed asset investments | | | | |
| Investment property | 19,104 | 19,576 | 19,104 | 19,576 |
| Other fixed asset investments | | | | |
| Investments in subsidiary undertakings | - | - | 1,060 | 1,061 |
| Investments in joint ventures | 1,562 | 1,367 | - | - |
| Listed investments: | | | | |
| - Equities | 58,794 | 53,846 | 58,794 | 53,846 |
| - Bonds | 37,964 | 36,283 | 37,964 | 36,283 |
| - Mixed Fund | 16,339 | 15,547 | 16,339 | 15,547 |
| Private Markets | 5,857 | 2,788 | 5,857 | 2,788 |
| Cash | 1,179 | 613 | 1,179 | 613 |
| Other Fixed asset investments | 121,695 | 110,444 | 121,193 | 110,138 |
| Total fixed asset investments | 140,799 | 130,020 | 140,297 | 129,714 |
| Current asset investments | | | | |
| Cash held as part of the fixed asset investment portfolio | 339 | 4,519 | 339 | 4,519 |
| Total current asset investments | 339 | 4,519 | 339 | 4,519 |
| Total investments | 141,138 | 134,539 | 140,636 | 134,233 |
| | | | | |
| | Group 2023 £000 | Group 2022 £000 | Charity 2023 £000 | Charity 2022 £000 |
| UK | 40,650 | 41,965 | 39,888 | 41,398 |
| Non-UK | 100,488 | 92,574 | 100,748 | 92,835 |
| | 141,138 | 134,539 | 140,636 | 134,233 |

The IET has committed funds of £13,000,000 (2022: £13,000,000) to Private Markets of which £5,469,000 (2022: £2,153,000) has been called upon for investment at the year-end date.

Investments are primarily held to provide investment return to the Charity. The Trustees reviewed the investments in subsidiary undertakings and joint ventures as at 31 December 2023 and considered that no change in their carrying value was required.

Cash held as part of the fixed asset investment portfolio and classified as a current asset investment is expected to be drawn down for operational purposes in the next financial year.

10 Debtors: Amounts falling due within one year

| | Group 2023 £000 | Group 2022 £000 | Charity 2023 £000 | Charity 2022 £000 |
|-------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Trade debtors | 4,061 | 3,683 | 2,589 | 2,157 |
| Other debtors | 446 | 438 | 136 | 131 |
| Accrued income | 4,752 | 5,288 | 4,622 | 5,206 |
| Payments in advance | 2,505 | 2,367 | 2,329 | 2,152 |
| Amounts due from subsidiaries | - | - | 2,052 | 4,854 |
| | 11,764 | 11,776 | 11,728 | 14,500 |

Included within 'Amounts due from subsidiaries' of the charity is a loan of £300,000 (2022: £300,000) from IET to IET Services Limited. The loan has no specified repayment date and carries interest at 1% above the UK bank base rate. The loan is secured by way of a fixed charge debenture over the assets of IET Services Limited.

11. Creditors: Amounts falling due within one year

| | Group 2023 £000 | Group 2022 £000 | Charity 2023 £000 | Charity 2022 £000 |
|----------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Accruals for grants payable | 787 | 839 | 787 | 839 |
| Trade creditors | 2,643 | 2,051 | 1,784 | 1,862 |
| Obligations under finance leases | 97 | 97 | 97 | 97 |
| Taxation and NI costs | 727 | 748 | 660 | 660 |
| Other creditors | 1,385 | 1,011 | 1,377 | 994 |
| Accruals | 6,054 | 5,902 | 5,148 | 4,710 |
| Amounts received in advance | 11,136 | 10,656 | 9,630 | 9,287 |
| Amounts due to subsidiaries | - | - | 321 | 221 |
| | 22,829 | 21,304 | 19,804 | 18,670 |

'Amounts received in advance' represent income from subscriptions relating to future periods. Substantially all of the receipts in advance as at 31 December 2022 were released to the Statement of Financial Activities in the year ended 31 December 2023. Accruals include termination payments of £338,537 (2022: £50,947).

When members pay IET membership fees, the IET may also collect fees and/or donations on behalf of third parties and subsequently pass those amounts on to those entities. The funds received as an agent, paid across to the entities during the year end and balances held at the beginning and end of the year (included in Other creditors) are as follows:

| | Group and Charity 2023 £000 | Group and Charity 2022 £000 |
|------------------------------------|-----------------------------------|-----------------------------------|
| Funds held as at 1 January | 471 | 715 |
| Funds received in year | 2,335 | 2,305 |
| Funds transferred to third parties | (2,070) | (2,549) |
| Funds held at 31 December | 736 | 471 |

12. Creditors: Amounts falling due after more than one year

| | Group 2023 £000 | Group 2022 £000 | Charity 2023 £000 | Charity 2022 £000 |
|---|-----------------------|-----------------------|-------------------------|-------------------------|
| Accruals for grants payable | 1,135 | 1,195 | 1,135 | 1,195 |
| Obligations under finance leases: | | | | |
| - later than one year and not later than five years | 350 | 350 | 350 | 350 |
| - later than five years | 1,927 | 1,929 | 1,927 | 1,929 |
| Other creditors | 150 | - | 150 | - |
| | 3,562 | 3,474 | 3,562 | 3,474 |

13. Commitments

The total of future minimum lease payments under non-cancellable operating leases as at 31 December for the Group and Charity are as follows:

| | Group 2023 £000 | Group 2022 £000 | Charity 2023 £000 | Charity 2022 £000 |
|--------------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Land and buildings, expiry date: | | | | |
| - within one year | 72 | 228 | - | 186 |
| - between two and five years | 1,442 | 573 | 1,255 | 372 |
| - after five years | 19,861 | 19,733 | 19,861 | 19,733 |
| | 21,375 | 20,534 | 21,116 | 20,291 |
| Vehicles and equipment, expiry date: | | | | |
| - within one year | 93 | 3 | 93 | 3 |
| - between two and five years | 727 | 18 | 719 | 7 |
| | 820 | 21 | 812 | 10 |

The total of future minimum lease payments in respect of finance leases for the Group and Charity are as disclosed in Notes 11 and 12 – 'Obligations under finance leases'. The obligations relate to a lease that expires in the 'later than five years' category.

Land and buildings with leases that expire after five years comprises solely of a long lease for Savoy Place which expires in 2121. The present value of the minimum lease payments for this lease are estimated at 31 December 2023 to be £3,293,115 (31 December 2022: £3,259,219). The present value at 31 December 2023 is based on a discount factor of 3.5% (2022: 3.5%) which reflects current long term gilt yield estimates.

14. Trustees and related party transactions

During the year, travelling and subsistence expenses totalling £86,519 were incurred by 20 Trustees on behalf of the IET (2022: £84,567 by twenty Trustees). None of the Trustees, or persons connected with them, received remuneration for any service to the IET this year or last year.

The Institution of Engineering and Technology Benevolent Fund (known as "Foothold") provide benevolent services to IET members and staff. Colonel A J Rogers (IET Trustee from 1 October 2023) became a trustee of Foothold on 1 October 2023. Professor Kate Sugden (IET Trustee from 1 October 2020 to 30 September 2023) was also a trustee of Foothold for the same period, 1 October 2020 to 30 September 2023. The IET had amounts receivable from Foothold in 2023 of £37,426 (2022: £314,377) principally relating to staff related costs, travel, and subscriptions to outside bodies and £358 (2022: £692) relating to IET group memberships. Amounts receivable of £nil were outstanding at 31 December 2023 (31 December 2022: £37,909). The IET had amounts payable to Foothold in 2023 of £351,825 (2022: £450,320) relating to donations collected on behalf of Foothold. There were amounts payable of £1,200 at 31 December 2023 (31 December 2022: £42,437).

Ed Almond (IET Chief Executive and Secretary) became a trustee of Engineering UK on 1 March 2023. The IET had amounts payable to Engineering UK in 2023 of £1,939,065 (2022: £1,817,187) relating to professional registration entry and annual fees. There were amounts payable of £704,084 at 31 December 2023 (31 December 2022: £407,521).

Professor Ronjon Nag (IET Trustee), via his holding company R42 Group, owned 100% by Professor Ronjon Nag, provides the course 'An Introduction to Artificial Intelligence' to the IET Academy. The IET had amounts payable to R42 Group in 2023 of £nil (2022: £4,021) relating to course fees. There were no amounts payable at 31 December 2023 (31 December 2022: £nil).

Abbie Hutty (IET Trustee) received an honorarium of £250 (2022: £nil) relating to her role as advisor and judge for a children's competition run by the IET.

The IET has the following related party transactions with its Group entities:

| Entity | Relationship | Ownership | Income 2023 £000 | Expenditure 2023 £000 | Debtor/ (creditor) at 31 Dec 2023 £000 | Income 2022 £000 | Expenditure 2022 £000 | Debtor/ (creditor) at 31 Dec 2022 £000 |
|---|--------------|-----------|---------------------|-----------------------------|---|---------------------|-----------------------------|---|
| IET Services Limited | Subsidiary | 100% | 9,324 | (4,589) | 584 | 6,730 | (4,338) | 3,598 |
| IET Conventions Limited | Subsidiary | 100% | 2,941 | - | 1,434 | 2,476 | - | 1,234 |
| IET USA, Inc. | Subsidiary | 100% | 850 | (918) | (88) | 1,214 | (948) | (55) |
| IET (India) | Subsidiary | 100% | - | (176) | (150) | - | (145) | (87) |
| IET Services (India) | Subsidiary | 100% | 77 | (507) | (81) | 51 | (484) | (79) |
| IET Solutions (India) | Subsidiary | 100% | - | (6) | 8 | - | (25) | 9 |
| IET (Beijing) | Subsidiary | 100% | 25 | - | 25 | 13 | - | 13 |
| IET (Canada) | Subsidiary | 100% | - | (9) | - | - | (13) | - |
| Institution of Engineering and Technology, USA | Subsidiary | 100% | - | (15) | - | - | (8) | - |
| IBC LLP | Associate | 34% | - | - | - | - | - | - |
| IBC Partnership | Associate | 34% | 20 | - | - | - | - | - |

The IET is the immediate parent (except for IET (Beijing) whose immediate parent is IET Services Limited) and ultimate controlling party for the subsidiary entities listed above and these financial statements are publicly available.

IET Services Limited had amounts payable to IET (Beijing) during the year of £911,969 (2022: £757,000) in respect of business support services provided. An amount payable of £125,077 was outstanding at 31 December 2023 (31 December 2022: £116,000).

IET Conventions Ltd (formerly IEE Conventions Ltd) holds a 34% share in its joint ventures IBC LLP and IBC Partnership. The business and assets of IBC Partnership were transferred to IBC LLP on 31 December 2023. IET Conventions Ltd has a debtor with IBC LLP at 31 December 2023 of £1,444,092 (31 December 2022: £nil) relating to its share of Partnership profits. The share of net profits in the year in respect of IBC LLP was £nil (2022: £nil). IET Conventions Ltd has a debtor with its joint venture, IBC Partnership, at 31 December 2023 of £nil relating to its share of Partnership profits (31 December 2022: £1,258,000). The share of net profits in the year in respect of the IBC Partnership was £2,949,671 (2022: £2,483,000).

The intercompany balance with IET Services Limited includes an amount due to the IET in the current and prior year of £300,000. This amount represents the loan related to a Publishing Agreement that can be terminated by either party by giving not less than six months' notice. The loan carries interest at 1 per cent above UK Bank

Base Rate per annum. The loan is secured by way of a fixed charge debenture. Except for this loan balance, all other intercompany balances between Group entities are unsecured and repayable under standard credit terms for consideration in cash.

IET Services Limited has one employee (2022: four) who were members of IET's defined benefit pension scheme, 'The IET Superannuation and Assurance Scheme' (IET SAS) from 1 October 2007 until its closure to future accrual on 31 March 2012. The directors of IET Services Limited consider that there is insufficient information to account for the Scheme as a Defined Benefit Scheme in its own accounts, in particular as separate contribution rates were not identified for the participating employers of the scheme. As such, the Scheme is accounted for on a Defined Contribution basis in the accounts of IET Services Limited. The FRS 102 surplus of IET SAS at 31 December 2023 as calculated by the Scheme Actuary is £5,427,000 (2022: surplus of £4,062,000), full details of which are set out in Note 16. A recovery plan has been agreed between the principal employer, The IET, and the Scheme Trustees in respect of the deficit calculated for non-IIE members based on the position at 31 March 2023, the date of the most recent triennial actuarial valuation. IET Services Limited's contribution into this Scheme during 2023 was nil (2022: nil).

15. Reserves

General Funds

The **General Funds** of the charity represent those unrestricted funds of the charity which have not been designated for a particular purpose by the Trustees. An appropriate level of reserves is required by the IET to manage contingencies and risk and thereby protect the continuity of its activities. The general funds are managed over the long term by reference to the key risks identified for the IET; currently including business continuity, investment volatility and pension liabilities. This target-based approach is described in the Reserves Policy in the Financial Review section of the Report of the Trustees.

Designated Funds

The **Fixed Assets Reserve** represents the net book value of tangible fixed assets.

The **Invested Building Redemption Reserve** has been set up to provide the future funds required to rebuild or replace Austin Court and to provide a sum of money to refurbish Savoy Place. It also includes the estimated current cost of refurbishing Futures Place. These outflows are expected to occur as assets reach the end of their respective estimated useful lives.

The **Development and New Initiatives Reserve** has been established to fund those projects which have been approved to be undertaken and is also to underwrite new revenue-generating activities to supplement the income from existing activities during the period 2024-2027 as set out in the IET's Corporate Plan.

The results of the FRS 102 valuation in respect of the IET's defined benefit pension schemes are disclosed in more detail in Note 16. The net pension scheme asset is disclosed under **The Pension Scheme Funding Reserve**.

Accumulated Funds are in connection with the IET's subsidiary companies and represent amounts retained by those companies. Dividends are paid from time to time as allowed by local jurisdictions.

Restricted Funds

The **Trust Funds** have been established to receive donations and bequests which are restricted by the donor to the support of certain activities. These funds typically support scholarships, awards, prizes and research.

Trust Funds are managed alongside the IET's unrestricted investment portfolio and are shown at fair value at 31 December 2023.

The **Dr A F Harvey Fund** is a part of the IET Benefactors Trust Fund but is shown separately because of its significance. Dr Harvey, an IET member, bequeathed a generous sum of money to the IET for a Trust Fund to be set up in his name after his death. The terms of the Trust specify that the money is to be used for the furtherance of scientific research into the fields of medical, microwave and radar, or laser engineering. The Board of Trustees agreed that the available funds would be used to offer an annual research prize in one of these research fields each year, covering them all over a three-year cycle.

The **Impact Engineering Fund** represents monies that have been donated to the IET for various specific purposes.

A number of these funds are also linked charities. The most significant linked charity by size is the IET Benefactors Trust Fund which is the IET's principal Restricted Fund and was established for such charitable purposes connected with the Institution or connected with the advancement of education in electrical engineering generally including the establishment and award of scholarships, fellowships, lectureships, competitions, prizes and awards. It is shown separately on the basis of materiality.

The largest of the other linked charities is the Lord Hirst Fund which provides financial support to engineers in financial need, with funds at 31 December 2023 of £543,000 (31 December 2022: £499,000). The full list of linked charities is provided in Note 15a.

In addition, the Janet Firmin Memorial Fund had funds of £780,000 as at 31 December 2023 (31 December 2022: £692,000). The Fund is not a linked charity.

Government Grants:

The IET has signed Grant Agreements with Science Foundation Ireland. See Note 15d for further details.

Transfers between Funds

Transfers between Unrestricted Funds represent specific designations agreed by the Trustees and which Designations are to be applied to those purposes.

15a. Linked Charities

The IET Linked Charities that hold a value in Trust Funds within the Restricted Funds are as follows:

Permanent endowments – Other Trust Funds

| Linked Charity Name | Registration Number |
|---|---------------------|
| Wilde Benevolent Trust Fund | 211014-1 |
| The Institution Prize for Women | 211014-3 |
| William Beedie Esson Scholarship | 211014-6 |
| Will Geipel Scholarship | 211014-7 |
| Goldup Prize Fund | 211014-8 |
| Percy Hudswell Fund | 211014-9 |
| David Hughes Scholarship | 211014-10 |
| I M E A Scholarship Fund | 211014-12 |
| J D Knight and E D Knight | 211014-13 |
| Sir Edward Manville Scholarship Fund | 211014-15 |
| O'Gorman Memorial Fund | 211014-18 |
| The Page Prize | 211014-19 |
| Sir Charles A Parsons Memorial Scholarship | 211014-20 |
| Paul Scholarship | 211014-21 |
| John S Robinson Memorial Fund | 211014-22 |
| Salomons Scholarship | 211014-23 |
| Swan Memorial Scholarship Fund | 211014-24 |
| Thorrowgood Scholarship | 211014-25 |
| War Thanksgiving Education and Research Fund No 1 | 211014-26 |
| Lord Hirst Fund | 211014-31 |
| The Joseph William Beauchamp Scholarships | 211014-32 |
| The Caroline Haslett Memorial Trust | 211014-34 |

Expendable endowments – IET Benefactors Trust Fund:

| Linked Charity Name | Registration Number |
|---|---------------------|
| IET Benefactors Trust Fund | 211014-14 |
| The Institution of Electrical Engineers Manufacturing Education Trust | 211014-30 |

Expendable endowments – Other Trust Funds

| Linked Charity Name | Registration Number |
|--------------------------------------|---------------------|
| J R Beard Travelling Fund | 211014-4 |
| Blumlein-Browne-Willans Premium Fund | 211014-5 |
| Hunter Memorial Lecture Fund | 211014-11 |
| Henry Nimmo Premium Fund | 211014-16 |
| Leslie H Paddle Scholarship Fund | 211014-27 |

15b. Reserves and Restricted Funds

Group – Year ended 31 December 2023

| | Balance at 1 January 2023 £000 (restated) | Net Income/ (Expenditure) £000 | Other recognised losses £000 | Transfers £000 | Balance at 31 December 2023 £000 |
|--|--|--------------------------------------|---------------------------------------|-------------------|---|
| Total General Funds | 95,341 | 8,616 | (103) | (5,691) | 98,163 |
| Designated Funds | | | | | |
| Fixed Assets Reserve | 41,800 | (3,003) | - | 588 | 39,385 |
| Invested Building Redemption Reserve | 11,256 | - | - | 2,103 | 13,359 |
| Development and New Initiatives Reserve | 11,900 | (3,412) | - | 1,812 | 10,300 |
| IETCL Accumulated Fund | 116 | - | - | - | 116 |
| IET India Accumulated Fund | 101 | (18) | - | - | 83 |
| IET Services (India) Accumulated Fund | 570 | 25 | - | - | 595 |
| IET USA, Inc. Accumulated Fund | 279 | (78) | - | - | 201 |
| IET (Beijing) Accumulated Fund | 348 | (92) | - | - | 256 |
| Total Designated Funds | 66,370 | (6,578) | - | 4,503 | 64,295 |
| Total Unrestricted Funds Before Pension Asset | 161,711 | 2,038 | (103) | (1,188) | 162,458 |
| Pension Scheme Funding Reserve | 4,062 | 221 | (44) | 1,188 | 5,427 |
| Total Unrestricted Funds After Pension Asset | 165,773 | 2,259 | (147) | - | 167,885 |
| Permanent Endowment Funds | | | | | |
| Other Trust Funds | 2,243 | 275 | - | - | 2,518 |
| Expendable Endowment Funds | | | | | |
| IET Benefactors Trust Fund | 5,769 | (22) | - | - | 5,747 |
| Dr A F Harvey Fund | 5,637 | 860 | - | - | 6,497 |
| Other Trust Funds | 446 | 58 | - | - | 504 |
| Total Expendable Endowment | 11,852 | 896 | - | - | 12,748 |
| Total Endowment Funds | 14,095 | 1,171 | - | - | 15,266 |
| Restricted Income Funds | | | | | |
| Impact Engineering Funds | 457 | (14) | - | - | 443 |
| Other Trust Funds | 330 | 22 | - | - | 352 |
| Total Restricted Income Funds | 787 | 8 | - | - | 795 |
| Restricted Funds | 14,882 | 1,179 | - | - | 16,061 |
| Total Group Funds | 180,655 | 3,438 | (147) | - | 183,946 |

15b. Reserves and Restricted Funds (continued)

Group – Year ended 31 December 2022

| | Balance at 1 January 2022 £000 (restated) | Net Income/ (Expenditure) £000 (restated) | Other recognised losses £000 | Transfers £000 | Balance at 31 December 2022 £000 (restated) |
|--|--|--|---------------------------------------|-------------------|--|
| Total General Funds | 105,173 | (5,594) | 81 | (4,319) | 95,341 |
| Designated Funds | | | | | |
| Fixed Assets Reserve | 41,169 | (2,766) | - | 3,397 | 41,800 |
| Invested Building Redemption Reserve | 10,701 | - | - | 555 | 11,256 |
| Development and New Initiatives Reserve | 15,900 | (3,179) | - | (821) | 11,900 |
| IETCL Accumulated Fund | 116 | - | - | - | 116 |
| IET India Accumulated Fund | 113 | (12) | - | - | 101 |
| IET Services (India) Accumulated Fund | 495 | 75 | - | - | 570 |
| IET USA, Inc. Accumulated Fund | 353 | (74) | - | - | 279 |
| IET (Beijing) Accumulated Fund | 357 | (9) | - | - | 348 |
| Total Designated Funds | 69,204 | (5,965) | - | 3,131 | 66,370 |
| Total Unrestricted Funds Before Pension Asset | 174,377 | (11,559) | 81 | (1,188) | 161,711 |
| Pension Scheme Funding Reserve | 6,213 | 126 | (3,465) | 1,188 | 4,062 |
| Total Unrestricted Funds After Pension Asset | 180,590 | (11,433) | (3,384) | - | 165,773 |
| Permanent Endowment Funds | | | | | |
| Other Trust Funds | 2,423 | (180) | - | - | 2,243 |
| Expendable Endowment Funds | | | | | |
| IET Benefactors Trust Fund | 6,974 | (1,205) | - | - | 5,769 |
| Dr A F Harvey Fund | 6,812 | (1,175) | - | - | 5,637 |
| Other Trust Funds | 519 | (73) | - | - | 446 |
| Total Expendable Endowment | 14,305 | (2,453) | - | - | 11,852 |
| Total Endowment Funds | 16,728 | (2,633) | - | - | 14,095 |
| Restricted Income Funds | | | | | |
| Impact Engineering Funds | 790 | (333) | - | - | 457 |
| Other Trust Funds | 382 | (52) | - | - | 330 |
| Total Restricted Income Funds | 1,172 | (385) | - | - | 787 |
| Restricted Funds | 17,900 | (3,018) | - | - | 14,882 |
| Total Group Funds | 198,490 | (14,451) | (3,384) | - | 180,655 |

15b. Reserves and Restricted Funds (continued)

Charity – Year ended 31 December 2023

| | Balance at 1 January 2023 £000 (restated) | Net Income/ (Expenditure) £000 | Other recognised (losses)/gains £000 | Transfers £000 | Balance at 31 December 2023 £000 |
|--|--|--------------------------------------|--|-------------------|---|
| Total General Funds | 95,614 | 8,571 | - | (5,689) | 98,496 |
| Designated Funds | | | | | |
| Fixed Assets Reserve | 41,788 | (2,999) | - | 586 | 39,375 |
| Invested Building Redemption Reserve | 11,256 | - | - | 2,103 | 13,359 |
| Development and New Initiatives Reserve | 11,900 | (3,412) | - | 1,812 | 10,300 |
| Total Designated Funds | 64,944 | (6,411) | - | 4,501 | 63,034 |
| Total Unrestricted Funds Before Pension Asset | 160,558 | 2,160 | - | (1,188) | 161,530 |
| Pension Scheme Funding Reserve | 4,062 | 221 | (44) | 1,188 | 5,427 |
| Total Unrestricted Funds After Pension Asset | 164,620 | 2,381 | (44) | - | 166,957 |
| Permanent Endowment Funds | | | | | |
| Other Trust Funds | 2,243 | 275 | - | - | 2,518 |
| Expendable Endowment Funds | | | | | |
| IET Benefactors Trust Fund | 5,769 | (22) | - | - | 5,747 |
| Dr A F Harvey Fund | 5,637 | 860 | - | - | 6,497 |
| Other Trust Funds | 446 | 58 | - | - | 504 |
| Total Expendable Endowment | 11,852 | 896 | - | - | 12,748 |
| Total Endowment Funds | 14,095 | 1,171 | - | - | 15,266 |
| Restricted Income Funds | | | | | |
| Impact Engineering Funds | 457 | (14) | - | - | 443 |
| Other Trust Funds | 330 | 22 | - | - | 352 |
| Total Restricted Income Funds | 787 | 8 | - | - | 795 |
| Restricted Funds | 14,882 | 1,179 | - | - | 16,061 |
| Total Charity Funds | 179,502 | 3,560 | (44) | - | 183,018 |

15b. Reserves and Restricted Funds (continued)

Charity – Year ended 31 December 2022

| | Balance at 1 January 2022 £000 (restated) | Net Income/ (Expenditure) £000 (restated) | Other recognised losses £000 | Transfers £000 | Balance at 31 December 2022 £000 (restated) |
|--|--|--|---------------------------------------|-------------------|--|
| Total General Funds | 105,439 | (5,514) | - | (4,311) | 95,614 |
| Designated Funds | | | | | |
| Fixed Assets Reserve | 41,160 | (2,761) | - | 3,389 | 41,788 |
| Invested Building Redemption Reserve | 10,701 | - | - | 555 | 11,256 |
| Development and New Initiatives Reserve | 15,900 | (3,179) | - | (821) | 11,900 |
| Total Designated Funds | 67,761 | (5,940) | - | 3,123 | 64,944 |
| Total Unrestricted Funds Before Pension Asset | 173,200 | (11,454) | - | (1,188) | 160,558 |
| Pension Scheme Funding Reserve | 6,213 | 126 | (3,465) | 1,188 | 4,062 |
| Total Unrestricted Funds After Pension Asset | 179,413 | (11,328) | (3,465) | - | 164,620 |
| Permanent Endowment Funds | | | | | |
| Other Trust Funds | 2,423 | (180) | - | - | 2,243 |
| Expendable Endowment Funds | | | | | |
| IET Benefactors Trust Fund | 6,974 | (1,205) | - | - | 5,769 |
| Dr A F Harvey Fund | 6,812 | (1,175) | - | - | 5,637 |
| Other Trust Funds | 519 | (73) | - | - | 446 |
| Total Expendable Endowment | 14,305 | (2,453) | - | - | 11,852 |
| Total Endowment Funds | 16,728 | (2,633) | - | - | 14,095 |
| Restricted Income Funds | | | | | |
| Impact Engineering Funds | 790 | (333) | - | - | 457 |
| Other Trust Funds | 382 | (52) | - | - | 330 |
| Total Restricted Income Funds | 1,172 | (385) | - | - | 787 |
| Restricted Funds | 17,900 | (3,018) | - | - | 14,882 |
| Total Charity Funds | 197,313 | (14,346) | (3,465) | - | 179,502 |

15c. Restricted Funds Analysis

Group and Charity 2023

| | Balance at 1 January 2023 £000 | Income £000 | Expenditure £000 | Investment gains £000 | Transfers £000 | Balance at 31 December 2023 £000 |
|--------------------------------------|---|----------------|---------------------|-----------------------------|-------------------|---|
| Permanent Endowment Funds | | | | | | |
| Other Trust Funds | 2,243 | 16 | - | 259 | - | 2,518 |
| Expendable Endowment Funds | | | | | | |
| IET Benefactors Trust Fund | 5,769 | 213 | (1,119) | 884 | - | 5,747 |
| Dr A F Harvey Fund | 5,637 | 234 | (364) | 990 | - | 6,497 |
| Other Trust Funds | 446 | 16 | (27) | 69 | - | 504 |
| Total Expendable Endowment | 11,852 | 463 | (1,510) | 1,943 | - | 12,748 |
| Total Endowment Funds | 14,095 | 479 | (1,510) | 2,202 | - | 15,266 |
| Restricted Income Funds | | | | | | |
| Impact Engineering Funds | 457 | 798 | (812) | - | - | 443 |
| Other Trust Funds | 330 | 50 | (66) | 38 | - | 352 |
| Total Restricted Income Funds | 787 | 848 | (878) | 38 | - | 795 |
| Restricted Funds | 14,882 | 1,327 | (2,388) | 2,240 | - | 16,061 |

Group and Charity 2022

| | Balance at 1 January 2022 £000 | Income £000 | Expenditure £000 | Investment losses £000 | Transfers £000 | Balance at 31 December 2022 £000 |
|--------------------------------------|---|----------------|---------------------|------------------------------|-------------------|---|
| Permanent Endowment Funds | | | | | | |
| Other Trust Funds | 2,423 | - | - | (180) | - | 2,243 |
| Expendable Endowment Funds | | | | | | |
| IET Benefactors Trust Fund | 6,974 | 187 | (537) | (855) | - | 5,769 |
| Dr A F Harvey Fund | 6,812 | 193 | (475) | (893) | - | 5,637 |
| Other Trust Funds | 519 | 13 | (27) | (59) | - | 446 |
| Total Expendable Endowment | 14,305 | 393 | (1,039) | (1,807) | - | 11,852 |
| Total Endowment Funds | 16,728 | 393 | (1,039) | (1,987) | - | 14,095 |
| Restricted Income Funds | | | | | | |
| Impact Engineering Funds | 790 | 553 | (886) | - | - | 457 |
| Other Trust Funds | 382 | 41 | (64) | (29) | - | 330 |
| Total Restricted Income Funds | 1,172 | 594 | (950) | (29) | - | 787 |
| Restricted Funds | 17,900 | 987 | (1,989) | (2,016) | - | 14,882 |

15d. Government Grants

Impact Engineering Funds includes grants from Science Foundation Ireland, details of which are set out below.

Science Foundation Ireland

The following information is set out in accordance with the requirements of the funder.

The principal terms of the Grant are:

Grantor: Science Foundation Ireland ("SFI"). SFI is an agency of the Department of Further and Higher Education, Research, Innovation and Science.

Programme: Discover Programme Call

Project Title: Igniting Curiosity in STEM: *FIRST*® LEGO® League

Purpose: *FIRST*® LEGO® League. This is a STEM programme which inspires children and young people from the ages of 4-16.

Grant #1: €299,300 – 24 months commencing 1/1/2021

Grant #2: €293,090 – 24 months commencing 1/1/2023

Confirmation statement: The IET has adequate financial control systems in place to monitor granted funds. The State's investment is protected and will not be used as security for any other activity without prior consultation with the Foundation.

Transactions in the year were as follows:

| Description | Grant #1 £'000 | Grant #2 £'000 |
|----------------------------|-------------------|-------------------|
| Balance @ 1 January 2023 | 44 | - |
| Income | 1 | 254 |
| Expenditure | (45) | (123) |
| Balance @ 31 December 2023 | - | 131 |

15e. Analysis of Group Net Assets Between Funds

31 December 2023

| | Unrestricted funds 2023 £000 | Restricted and endowment funds 2023 £000 | Total funds 2023 £000 |
|-------------------------|------------------------------------|---|-----------------------------|
| Intangible assets | 4,343 | - | 4,343 |
| Tangible fixed assets | 39,386 | - | 39,386 |
| Fixed asset investments | 119,991 | 20,808 | 140,799 |
| Current assets | 20,068 | 314 | 20,382 |
| Current liabilities | (18,904) | (3,925) | (22,829) |
| Long term creditors | (2,426) | (1,136) | (3,562) |
| Pension scheme asset | 5,427 | - | 5,427 |
| | 167,885 | 16,061 | 183,946 |

31 December 2022

| | Unrestricted funds 2022 £000 (restated) | Restricted and endowment funds 2022 £000 | Total funds 2022 £000 (restated) |
|-------------------------|--|---|---|
| Intangible assets | 3,829 | - | 3,829 |
| Tangible fixed assets | 41,800 | - | 41,800 |
| Fixed asset investments | 111,453 | 18,567 | 130,020 |
| Current assets | 25,334 | 388 | 25,722 |
| Current liabilities | (18,430) | (2,874) | (21,304) |
| Long term creditors | (2,275) | (1,199) | (3,474) |
| Pension scheme asset | 4,062 | - | 4,062 |
| | 165,773 | 14,882 | 180,655 |

15f. Analysis of IET Net Assets Between Funds

31 December 2023

| | Unrestricted funds 2023 £000 | Restricted and endowment funds 2023 £000 | Total funds 2023 £000 |
|-------------------------|------------------------------------|---|-----------------------------|
| Intangible assets | 4,343 | - | 4,343 |
| Tangible fixed assets | 39,376 | - | 39,376 |
| Fixed asset investments | 119,489 | 20,808 | 140,297 |
| Current assets | 16,627 | 314 | 16,941 |
| Current liabilities | (15,879) | (3,925) | (19,804) |
| Long term creditors | (2,426) | (1,136) | (3,562) |
| Pension scheme asset | 5,427 | - | 5,427 |
| | 166,957 | 16,061 | 183,018 |

31 December 2022

| | Unrestricted funds 2022 £000 (restated) | Restricted and endowment funds 2022 £000 | Total funds 2022 £000 (restated) |
|-------------------------|--|---|---|
| Intangible assets | 3,829 | - | 3,829 |
| Tangible fixed assets | 41,788 | - | 41,788 |
| Fixed asset investments | 111,147 | 18,567 | 129,714 |
| Current assets | 21,865 | 388 | 22,253 |
| Current liabilities | (15,796) | (2,874) | (18,670) |
| Long term creditors | (2,275) | (1,199) | (3,474) |
| Pension scheme asset | 4,062 | - | 4,062 |
| | 164,620 | 14,882 | 179,502 |

16. Pension Schemes

16a. Defined Benefit Schemes

The IET operated one defined benefit pension scheme during the year, The IET Superannuation and Assurance Scheme (IET SAS) and which is closed to new entrants and to future accrual. The scheme is subject to triennial valuations by independent actuaries using the projected units method.

For the purposes of these financial statements the actuary carried out FRS 102 valuations for the scheme for the year ended 31 December 2023.

The scheme is administered through a trust, which is independent of the IET, by Trustees who are appointed by IET and member-nominated Trustees. The figures below exclude the pension expenses or employees of Foothold, a separate charity organisation that also participates in the defined benefit scheme.

The most recent triennial valuation was carried out as at 31 March 2023.

Contributions under the current Recovery Plan are £99,000 per month and due to cease in March 2024.

Assumptions

The tables set out below state the assumptions upon which the valuations of the Scheme was based.

| | IET SAS 2023 % pa | IET SAS 2022 % pa |
|----------------------------|-------------------------|-------------------------|
| Price inflation (RPI) | 3.10 | 3.25 |
| Price inflation (CPI) | 2.45 | 2.55 |
| Pension increase rate LP15 | 3.05 | 3.15 |
| Discount rate | 4.50 | 4.75 |

The mortality assumptions adopted imply the following life expectancies from age 60:

| | IET SAS 2023 | IET SAS 2022 |
|--|-----------------|-----------------|
| Member age 60 – male (current life expectancy) | 27.3 | 27.8 |
| Member age 60 – female (current life expectancy) | 29.5 | 29.7 |
| Member age 40 – male (future pensioner) | 28.2 | 29.0 |
| Member age 40 – female (future pensioner) | 30.7 | 30.9 |

Analysis of the amounts credited/(charged) to Statement of Financial Activities

| | 2023 £000 | 2022 £000 |
|---|--------------|--------------|
| Net interest credit on net defined benefit liability | 221 | 126 |
| Net amount credited to Statement of Financial Activities | 221 | 126 |

| | 2023 £000 | 2022 £000 |
|--|--------------|----------------|
| Actual return on assets excluding amounts included in net interest | (2,233) | (58,217) |
| Actuarial gains arising on scheme liabilities | 2,189 | 54,752 |
| Actuarial losses charged to the Statement of Financial Activities | (44) | (3,465) |

Analysis of the amounts recognised in the Balance Sheet

| Changes to fair value of scheme assets | 2023 £000 | 2022 £000 |
|---|----------------|----------------|
| Opening fair value of scheme assets | 114,009 | 172,995 |
| Interest income | 5,318 | 3,165 |
| Contributions by employer | 1,188 | 1,188 |
| Benefits paid | (5,448) | (5,122) |
| Return on Scheme assets excluding interest income | (2,233) | (58,217) |
| Closing fair value of scheme assets | 112,834 | 114,009 |

| Changes to present value of benefit obligations | 2023 £000 | 2022 £000 |
|--|----------------|----------------|
| Opening present value of benefit obligations | 109,947 | 166,782 |
| Interest costs | 5,097 | 3,039 |
| Benefits paid | (5,448) | (5,122) |
| Actuarial gains | (2,189) | (54,752) |
| Closing present value of benefit obligations | 107,407 | 109,947 |

| | 2023 £000 | 2022 £000 |
|--------------------------------------|--------------|--------------|
| Fair value of scheme assets | 112,834 | 114,009 |
| Present value of benefit obligations | (107,407) | (109,947) |
| Net surplus | 5,427 | 4,062 |

Fund assets

The major categories of plan assets as a percentage of total plan assets are as follows:

| | 2023 £000 | 2023 % | 2022 £000 | 2022 % |
|------------------------------|----------------|--------------|----------------|--------------|
| UK Equities | 61 | 0.1 | 56 | 0.1 |
| Overseas Equities | 2,846 | 2.5 | 2,368 | 2.1 |
| Debt Securities – Government | 47,017 | 41.7 | 45,965 | 40.3 |
| Diversified Growth Funds | 9,532 | 8.4 | 10,725 | 9.4 |
| Insurance contracts | 48,536 | 43.0 | 50,448 | 44.2 |
| Aviva DAF Fund | 4,363 | 3.9 | 4,361 | 3.8 |
| Cash and cash equivalents | 479 | 0.4 | 86 | 0.1 |
| | 112,834 | 100.0 | 114,009 | 100.0 |

None of the fair values of the assets shown include any of the IET's own financial instruments or any property occupied by, or other assets used by, the IET.

Sensitivity analysis

The calculation of the IET SAS defined benefit obligation is sensitive to the assumptions set out above. The table set out below shows the impact on the value of the benefit obligation as at 31 December of a change in assumptions:

| | Actuarial value of liabilities at 31 December 2023 £000 | Actuarial value of liabilities at 31 December 2022 £000 |
|--|---|---|
| Base Case | 107,407 | 109,947 |
| -0.5% decrease in discount rate | 114,117 | 116,922 |
| 1 year increase in member life expectation | 111,704 | 114,294 |
| +0.5% change in inflation | 112,063 | 114,648 |

16b. Defined Contribution Schemes

Both the IET and employees make contributions towards the IET's defined contribution stakeholder pension arrangement. At 31 December 2023, 530 Group employees were members of the scheme (31 December 2022: 564). The total employer contributions charged to this scheme during the year amounted to £2,911,000 (2022: £2,678,000). The amount of outstanding contributions at 31 December 2023 were £6,526 (31 December 2022: £Nil).

The pension charge for the year to 31 December 2023 for all schemes (including the defined benefit pension scheme) was £2,690,000 (2022: £2,552,000).

17. Prior Period Adjustment

A prior period adjustment has been made to capitalise externally generated computer software and amortise this cost on a straight-line basis over 4 years. Historically, the cost of externally generated computer software was incorrectly written off in the year of purchase. See note 1 for the revised accounting policy on Intangible Fixed Assets. The adjusted net book value of £3,829,000 for externally generated computer software at 31 December 2022 is shown in Note 7.

The effect of this adjustment on funds is as follows:

| | Group 2022 £000 | Group 2021 £000 | Charity 2022 £000 | Charity 2021 £000 |
|--|-----------------------|-----------------------|-------------------------|-------------------------|
| Original funds c/fwd 31 December | 176,826 | 196,155 | 175,673 | 194,978 |
| Cumulative adjustment to funds (capitalised computer software) | 4,275 | 2,461 | 4,275 | 2,461 |
| Cumulative adjustment to funds (amortisation) | (446) | (126) | (446) | (126) |
| Restated funds c/fwd 31 December | 180,655 | 198,490 | 179,502 | 197,313 |

The effect of this adjustment on intangible assets is as follows:

| | Group 2022 £000 | Charity 2022 £000 |
|--|-----------------------|-------------------------|
| Original intangible assets | - | - |
| Cumulative adjustment to funds (capitalised computer software) | 4,275 | 4,275 |
| Cumulative adjustment to funds (amortisation) | (446) | (446) |
| Restated intangible assets | 3,829 | 3,829 |

Prior year expenditure amounts have been accordingly restated in both the Charity and the Group Statements of Financial Activities and the notes to the accounts for the respective expenditure headings.

The effect of this adjustment on expenditure is as follows:

| | Group Previously reported 2022 £000 | Group Adjustment 2022 £000 | Group Balance as restated 2022 £000 | Charity Previously reported 2022 £000 | Charity Adjustment 2022 £000 | Charity Balance as restated 2022 £000 |
|---|--|-------------------------------------|--|--|---------------------------------------|--|
| Education, policy and awareness | 9,858 | (177) | 9,681 | 9,858 | (177) | 9,681 |
| Knowledge services and solutions | 33,975 | (550) | 33,425 | 33,893 | (550) | 33,343 |
| Membership and professional development | 20,371 | (758) | 19,613 | 20,063 | (758) | 19,305 |
| Fundraising costs | 343 | (9) | 334 | 343 | (9) | 334 |

The Consolidated Statement of Cash Flows has been restated as follows:

| | Net cash used in operating activities £000 | Net cash provided by investing activities £000 | Net cash used in financing activities £000 | Change in cash and cash equivalents in the year £000 |
|--|---|---|---|--|
| Original balances reported for 2022 | (8,052) | 8,357 | (132) | 173 |
| Add: Net income | 1,494 | - | - | - |
| Add: Amortisation | 320 | - | - | - |
| Less: Purchase of Intangible Assets | - | (1,814) | - | - |
| Restated balances for 2022 | (6,238) | 6,543 | (132) | 173 |

Legal and administrative information

The Institution of Engineering and Technology (IET) is registered with the Charity Commission for England and Wales under charity number 211014 and the Office of the Scottish Charity Regulator under charity number SC038698.

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Trustees

Members of the Board of Trustees at the date the report was approved:

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Professor R A Cryan CBE DL
Professor T R Dafforn
K Deacon
D W A East CBE (appointed 1 October 2023)
A Feng
Dr S D Hart (appointed 1 October 2023)
S E Hubbard
A S Huty
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Professor R Nag
D E Ohlson (appointed 1 October 2023)
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Dr A C Harter CBE DL (retired 5 May 2023)
R C Hurst (retired 30 September 2023)
Professor P M Needham (retired 30 September 2023)
Professor K Sugden (retired 30 September 2023)
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