

ANNUAL REPORT AND ACCOUNTS

2020

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

Trustees' Report and Financial Statements

Year Ended 31 December 2020

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

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THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

YEAR ENDED 31 DECEMBER 2020

LEGAL AND ADMINISTRATIVE INFORMATION

Officers and Council Members as at 31st December 2020:

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

*denotes Non-Trustee

Also, Trustees for the period to 18th June 2020:

Karl Miller BEng CEng FIGEM	Cheung Pak-kin CEng MIGEM
Morgan James AIGEM	Jordan Rowbottom IEng MIGEM
Ben Smith CEng MIMechE MIGEM	Zenon Przybyszewski MIGEM
Grant Rogers AIGEM	Kathryn Brown CEng MIGEM
Paul Lawrence MBA BSc (Hons) CEng FICHEM FIGEM FCMI	Tom Vella GradIGEM

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
YEAR ENDED 31 DECEMBER 2020**

LEGAL AND ADMINISTRATIVE INFORMATION

Secretariat Senior Staff

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

Charity Number 214011

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

Auditors UHY Hacker Young
14 Park Row
Nottingham
NG1 6GR

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

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

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

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

YEAR ENDED 31 DECEMBER 2020

TRUSTEES' REPORT

The Trustees of the Institution of Gas Engineers and Managers (IGEM) present their report and audited financial statements for the year ended 31 December 2020. The financial statements comply with the Institution's Royal Charter, applicable Companies and Charities Acts and the Charities Statement of Recommended Practice issued in October 2019. The Trustees consider that they have complied with their duties under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

Objectives and Activities

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

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

Our strategic goals are:

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

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

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

Key activities undertaken include recruitment and retention of members, as well as provision of training and services to members and the wider industry to support members' continuing professional development, through the Gi journal, website, communications, conferences, lectures and technical training. In addition, technical advancement is achieved through review and development of Industry Standards and recommendations, research, networking and support.

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

Public Benefit Statement

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

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

YEAR ENDED 31 DECEMBER 2020

TRUSTEES' REPORT

Public Benefit Statement (continued)

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

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

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

Our public benefit activities focus on the safe passage of gas through the supply chains through to safe use by the public and by industrial customers. These activities include competence assessment, provision of opportunities for the continued demonstration of competence through personal professional development for our members, and those in the wider gas industry. In addition, we support, showcase and finance research, such as Carbon Monoxide research.

Structure, Governance and Management

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

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

YEAR ENDED 31 DECEMBER 2020

TRUSTEES' REPORT

Structure, Governance and Management (continued)

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

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

* Indicates a Trustee member of Council

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

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

- President*
- President Elect*
- Vice President*
- Immediate Past President*
- Honorary Secretary
- 3 Ordinary Members*
- Chief Executive Officer

* Indicates a Trustee member of Council

IGEM comprises the following entities:

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

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

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

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

YEAR ENDED 31 DECEMBER 2020

TRUSTEES' REPORT

Structure, Governance and Management (continued)

IGEM operates a number of Boards, Committees, Sub-Committees and Panels through which it undertakes its educational, technical and administrative functions. IGEM benefits from the input of many volunteers, who govern the Institution, run the Sections, contribute to committees, panels, mentoring and interviewing. Over 2020, there are approximately 482 volunteers actively involved in IGEM who collectively provide volunteer services totalling around 11,637 hours, equivalent to seven full time staff.

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

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

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

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

- Industrial Affiliates Section, which represents our company members. These members include network asset owner operators, gas supply businesses, companies engaged within the supply chain, consultancies and educational establishments.
- Young Persons Network. A key role of the Section is to give a voice to our younger, often more junior, members and to encourage them to play an active part within the Institution. As well as being assigned to a geographically defined Section, all of our members under the age of 35 are included within the auspices of the YPN. The flagship event of the YPN is its short paper competition. The winner this year was Sikander Mahmood, Project Manager at Future Networks, Cadent, for his presentation discussing work on the HyDeploy project.

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

YEAR ENDED 31 DECEMBER 2020

TRUSTEES' REPORT

Covid-19

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

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

Achievement and Performance

IGEM maintains ISO 9001:2015 quality accreditation.

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

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

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

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

YEAR ENDED 31 DECEMBER 2020

TRUSTEES' REPORT

Achievement and Performance (continued)

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

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

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

Standards published during the year are:

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

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

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

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

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

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

YEAR ENDED 31 DECEMBER 2020

TRUSTEES' REPORT

Achievement and Performance (continued)

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

The events and conferences program was more limited than planned but some key events were still delivered with favourable attendance and engagement. The Annual Conference moved online and had an extensive programme exploring two themes: Enabling the Transition and Transition in Action. Rt Hon Kwasi Kwarteng, then Minister of Energy, delivered the keynote address while other speakers included Ofgem Chief Executive Jonathan Brearley, Green Gas Champion and former CEO of Cadent Chris Train, as well as several international inputs.

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

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

Investments

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

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

2020 Financial Review

Funds Summary

	2020	2019
General Reserve	900,000	900,000
Development Fund	1,508,519	1,434,039
Property Maintenance Reserve	150,000	150,000
S&M	657,437	673,846
Gas Innovation Fund	567,723	559,366
Hydrogen Standards Innovation Fund	387,435	-
GIUSP	22,000	29,500
Sections	159,833	146,661
History	7,355	8,065
Property & Assets	1,240,758	1,263,417
	<u>5,601,060</u>	<u>5,164,895</u>

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

YEAR ENDED 31 DECEMBER 2020

TRUSTEES' REPORT

Reserves

The Institution's reserves are held to meet liabilities, working capital, operations, research, education and future developments to benefit members, customers and support the gas industry in a viable and sustainable manner. A comprehensive review of funds and reserve holdings was undertaken which resulted in some funds movements and refreshed policies and applications of use. The International Development Fund designation was removed as international activity is now self-sustaining. The fund was transferred into the Development Reserve for future investment in to the development of the Institution and to facilitate the investment into the energy transformation that is facing the industry. The General Reserve are the free reserves, held at a value of up to approximately 6 months expenditure, currently set at £900,000 which provides adequate resilience to maintain liquidity and mitigate risks. The Restricted Funds were repurposed to enable increased application of the funds in order to make proper use of them in line with their objectives.

Total funds held by the charity at the end of the reporting period are £5,601,060. This is constituted of general, designated and restricted funds as detailed below.

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

The expected time frame of expenditure of the designated and restricted funds will be in line with the external environment of transition of energy over the decade to 2030, and starting in 2020 with investment in resourcing development of membership and provision of services.

The amount of reserves freely available to the charity, after allowing for restricted funds, committed expenditure, assets and designations are therefore £900,000 and is in line with the reserve policy. Further details of the funds held are included in Notes 16 and 17 to these financial statements.

Risk Management

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

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

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

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
YEAR ENDED 31 DECEMBER 2020**

TRUSTEES' REPORT

Risk Management (continued)

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

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

Provision of Information to the Auditor.

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

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

This report was approved by the Council 25th March 2021 and signed on its behalf.



Duncan Wong
President

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

YEAR ENDED 31 DECEMBER 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
YEAR ENDED 31 DECEMBER 2020**

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

Opinion

We have audited the financial statements of The Institution of Gas Engineers and Managers (the "Parent Charity") and its subsidiaries (the "Group") for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and charity's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
YEAR ENDED 31 DECEMBER 2020**

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

material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report. We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charity and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the charity, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
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**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES
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Act 2011. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the charity's net income for the year.

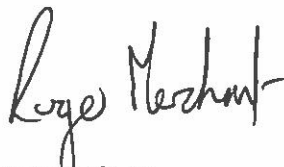
Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with legal advisors, enquiries of management and review of internal audit reports in so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the Trustees that represented a risk of material misstatement due to fraud.

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

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

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Roger Merchant
(Senior Statutory Auditor)**

30/4/21

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

14 Park Row
Nottingham
NG1 6GR

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Incoming Resources						
Income from Donations Sections	6	52,382	-	-	52,382	135
		-	-	-	-	2,000
		52,382	-	-	52,382	2,135
Charitable Activities	2	1,584,519	12,341	433,864	2,030,724	1,960,603
Rent Receivable		24,458	-	-	24,458	84,563
Investment Income	3	48,933	791	25,515	75,239	94,440
Total Incoming Resources		1,710,292	13,132	459,379	2,182,803	2,141,741
Resources Expended						
Raising Funds						
Investment Mgr Fees		3,270	-	1,734	5,004	17,421
Trading Expenditure		12,226	-	-	12,226	23,899
		15,496	-	1,734	17,230	41,320
Charitable Activities	4	1,629,045	43,512	240,211	1,912,768	2,213,118
Total Resources Expended		1,644,541	43,512	241,945	1,929,998	2,254,438
Net gains/(losses) on Investments	8	121,245	(2,758)	64,873	183,360	423,492
Net Income/(Expenditure)		186,996	(33,138)	282,307	436,165	310,795
Transfer between Funds	21	(209,654)	120,654	89,000	-	-
Net Movement in Funds		(22,658)	87,516	371,307	436,165	310,795
Total Funds Brought Forward		2,163,416	1,710,568	1,290,911	5,164,895	4,854,100
Total Funds Carried Forward	17	2,140,758	1,798,084	1,662,218	5,601,060	5,164,895

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

The notes on pages 22 to 39 form part of these accounts

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible	9	1,240,758	1,263,416
Investments	10	<u>3,791,530</u>	<u>3,601,896</u>
		5,032,288	4,865,312
CURRENT ASSETS			
Debtors	11	628,952	417,095
Short term investments	13	621,728	485,272
Cash at Bank and in hand	12	146,489	152,946
		<u>1,397,169</u>	<u>1,055,313</u>
CREDITORS: amounts	14		
falling due within one year		<u>(828,397)</u>	<u>(755,730)</u>
NET CURRENT ASSETS		568,772	299,583
NET ASSETS		<u>5,601,060</u>	<u>5,164,895</u>
FUNDS			
Unrestricted	17	2,140,758	2,163,416
Restricted	17	1,662,218	1,290,911
Designated	17	1,798,084	1,710,568
		<u>5,601,060</u>	<u>5,164,895</u>

The financial statements were approved and authorised for issue by the Council and were signed on its behalf on 25th March 2021.



Duncan Wong
President

The notes on pages 22 to 39 form part of these accounts

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible	9	1,240,758	1,263,416
Investments	10	<u>3,792,530</u>	<u>3,602,896</u>
		5,033,288	4,866,312
CURRENT ASSETS			
Debtors	11	630,888	425,442
Short term investments	13	621,728	485,272
Cash at Bank and in hand	12	102,075	99,843
		<u>1,354,691</u>	<u>1,010,557</u>
CREDITORS: amounts falling due within one year	14	<u>(827,395)</u>	<u>(752,290)</u>
NET CURRENT ASSETS		527,296	258,267
NET ASSETS		<u>5,560,584</u>	<u>5,124,579</u>
FUNDS			
Unrestricted		2,140,758	2,163,416
Restricted		1,634,594	1,262,712
Designated		1,785,232	1,698,451
		<u>5,560,584</u>	<u>5,124,579</u>

The financial statements were approved and authorised for issue by the Council and were signed on its behalf on 25th March 2021.



Duncan Wong
President

The notes on pages 22 to 39 form part of these accounts

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
CASH FLOW FROM OPERATING ACTIVITIES:		
Net cash provided by operating activities (note 20)	64,255	(60,164)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends, interest and rents from investments	75,239	94,440
Purchase of property, plant and equipment	(3,221)	(9,302)
Purchase of investments	(10,706)	(15,564)
Proceeds from sale of investments	4,432	120,027
Net cash provided by investing activities	65,744	189,601
Increase in cash and cash equivalents in the year	129,999	129,437
Cash and cash equivalents at 1 January	638,218	508,781
Cash and cash equivalents at 31 December	768,217	638,218
Relating to:		
Cash at Bank and in hand	146,489	152,946
Short term investments	621,728	485,272

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES

(a) Basis of preparation and assessment of going concern

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

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

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

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

(b) Group financial statements

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

(c) Funds accounting

Funds held by the charity are:

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

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

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

(d) Incoming resources

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

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

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

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

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES (continued)

(e) Resources expended

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

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

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

(f) Depreciation

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

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

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

(g) Foreign currencies

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

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

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

(h) Investments

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

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

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

(i) Realised gains and losses

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

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES (continued)

(i) Realised gains and losses

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

(j) Heritage assets

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

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

(k) Cash and cash equivalents

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

(l) Pensions

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

(m) Operating leases

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

(n) Corporation tax

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

(o) Government grants

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

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

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

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

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

2 CHARITABLE ACTIVITIES

Activities in the furtherance of the charity's objectives.

	Unrestricted	Designated	Restricted	Total 2020	Total 2019
	£	£	£	£	£
General Funds:					
Membership services and subscriptions	743,570	-	-	743,570	747,202
Technical services	705,459	-	431,720	1,137,179	788,466
Conferences and marketing	65,443	-	100	65,543	292,444
Journal	70,047	-	-	70,047	60,202
History Fund	-	-	2,044	2,044	1,884
Section income	-	7,477	-	7,477	69,321
Scottish section income	-	4,864	-	4,864	1,084
	1,584,519	12,341	433,864	2,030,724	1,960,603

In 2019, of total income from charitable activities, £1,887,914 was to unrestricted funds, £70,405 was to designated funds and £2,284 was to restricted funds.

3 INVESTMENTS

	Unrestricted	Designated	Restricted	Total 2019	Total 2018
	£	£	£	£	£
Bank interest received	920	-	134	1,054	1,494
Dividends received	48,013	791	25,381	74,185	92,946
	48,933	791	25,515	75,239	94,440

In 2019, of total income from investments, £60,320 was to unrestricted funds, £835 was to designated funds and £33,285 was to restricted funds.

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

4 CHARITABLE EXPENDITURE

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

	Direct Staff costs £	Other costs £	Support and governance costs £	Total 2020 £	Total 2019 £
General Funds:					
Membership services	172,239	53,748	132,622	358,609	379,520
Technical services	241,185	153,260	202,825	597,270	721,120
Conferences, events and marketing	201,929	51,535	11,690	265,154	453,944
Journal	40,467	146,749	12,494	199,710	201,690
Establishment	105,234	85,420	-	190,654	212,548
Facilities & conference provision	15,227	1,087	1,334	17,648	53,108
	776,281	491,799	360,965	1,629,045	2,021,930
Designated Funds:					
Section expenditure	-	8,335	-	8,335	72,612
Development	-	35,177	-	35,177	(4,000)
	-	43,512	-	43,512	68,612
Restricted Funds:					
GIUSP	-	7,500	-	7,500	4,000
History Fund Awards	-	2,754	-	2,754	4,615
Scholarship & medals	-	52,684	-	52,684	113,961
Gas Innovation Fund	-	32,988	-	32,988	-
Hydrogen Standards Innovation Fund	-	144,285	-	144,285	-
	-	240,211	-	240,211	
	776,281	775,522	360,965	1,912,768	2,213,118

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

5 SUPPORT AND GOVERNANCE COSTS

	Staff costs £	Other costs £	Total 2020 £	Total 2019 £
General Support Costs:				
Central support	186,386	-	186,386	186,525
Legal and professional fees	-	1,035	1,035	1,035
Council meeting and staff expenses	-	20,306	20,306	42,996
Bank and credit card charges	-	17,469	17,469	17,139
Recruitment expenses	-	4,804	4,804	1,955
Sundry expenses	-	271	271	270
Staff training	-	1,873	1,873	10,270
Postage and telephone	-	25,925	25,925	23,778
Printing and stationery	-	7,993	7,993	8,962
Computer expenses	-	70,495	70,495	65,093
Subscriptions and other costs	-	4,650	4,650	5,174
Irrecoverable VAT	-	8,724	8,724	10,282
Governance Costs:				
Audit and accountancy	-	9,567	9,567	9,330
Council and Trustees expenses	-	1,467	1,467	13,774
	186,386	174,579	360,965	396,583

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

6 NET OUTGOING RESOURCES

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets:		
- Owned by the group	25,879	31,925
Operating lease rentals	4,677	6,276
Government grants	(52,382)	-
Audit and accountancy charges:		
- Statutory audit	9,067	8,830
- Accountancy and other services	500	500

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

7 STAFF COSTS

The average monthly number of employees during the year was:

	2020 No.	2019 No.
Office and management	25	25

	2020 £	2019 £
Staff costs:		
Salaries	798,761	797,790
National insurance contributions	77,021	78,208
Pension contributions	86,885	85,046
	962,667	961,044

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

	2020 No.	2019 No.
£60,000 to £70,000	-	1
£70,000 to £80,000	2	1
£80,000 to £90,000	-	-
£90,000 to £100,000	1	1

The pension contributions made to the highest paid employee were £nil (2019: £nil).

The Trustee members of the Council received no remuneration during the year but travel expenses of £1,467 were reimbursed to 4 Council members (2019: £13,774 to 12 members).

The Institution considers its key management personnel comprise the Trustees, the Chief Executive Officer and the senior management team. The total employment benefits including employer pension contributions of the six (2019: six) key management personnel were £366,931 (2019: £362,356).

8 NET GAINS/(LOSSES) ON INVESTMENT ASSETS

	Unrestricted funds £	Restricted funds £	Designated funds £	Total 2020 £	Total 2019 £
Gains on disposals	63	14	-	77	5,311
Net unrealised gains/(losses) on revaluation to market value	121,182	64,859	(2,758)	183,283	418,181
	121,245	64,873	(2,758)	183,360	423,492

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

9 TANGIBLE FIXED ASSETS

Group and Institution

	Land and Buildings	Fixtures & Fittings and Computer Equipment	Total
	£	£	£
Cost			
At 1 January 2020	1,526,234	235,912	1,762,146
Additions	3,221	-	3,221
At 31 December 2020	1,529,455	235,912	1,765,367
Depreciation			
At 1 January 2020	265,355	233,375	498,730
Charge for the year	24,524	1,355	25,879
At 31 December 2020	289,879	234,730	524,609
Net book amount			
As at 31 December 2020	1,239,576	1,182	1,240,758
As at 31 December 2019	1,260,879	2,537	1,263,416

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

Regalia, memorabilia and library collection of books – Heritage assets

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

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

These regalia and memorabilia items are insured at a cumulative value of £251,796 (2019: £244,462). While the collection of library books with an insurance value of £53,045 (2019: £53,045).

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

10 INVESTMENTS

Group
Quoted Investments

	Unrestricted £	Restricted £	Total 2020 £	Total 2019 £
Market value at 1 January 2020	2,363,645	1,238,251	3,601,896	3,300,288
Additions	-	10,706	10,706	15,564
Disposals	(3,118)	(1,237)	(4,355)	(114,716)
Management fees paid	-	-	-	(17,421)
Revaluation to market value	118,424	64,859	183,283	418,181
Market value at 31 December 2020	2,478,951	1,312,579	3,791,530	3,601,896
Historical cost at 31 December 2020	2,193,970	1,159,868	3,353,838	3,347,487
The investments are all held in the:				
Rathbones Core Investment Fund for Charities	2,464,865	1,312,579	3,777,444	3,585,052
M&G Investments	14,086	-	14,086	16,844
	2,478,951	1,312,579	3,791,530	3,601,896

Institution

	Unrestricted £	Restricted £	Total 2020 £	Total 2019 £
Quoted investments (as above)	2,478,951	1,312,579	3,791,530	3,601,896
IGEM House Ltd	1,000	-	1,000	1,000
Market value at 31 December 2020	2,479,951	1,312,579	3,792,530	3,602,896

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

Rathbones Core Investment Fund for Charities - 99.9%

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

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

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

10 INVESTMENTS (continued)

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

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

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

11 DEBTORS

	Group		Institution	
	2020	2019	2020	2019
	£	£	£	£
Due within one year:				
Trade debtors	565,213	289,989	564,823	276,860
Amounts due from group undertakings	-	-	2,326	22,166
Prepayments and accrued income	63,739	127,106	63,739	126,416
	628,952	417,095	630,888	425,442

12 CASH AT BANK AND IN HAND

	Group		Institution	
	2020	2019	2020	2019
	£	£	£	£
Unrestricted	94,506	96,302	91,081	83,855
Designated (Sections)	23,845	28,102	10,994	15,988
Restricted	28,138	28,542	-	-
	146,489	152,946	102,075	99,843

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

13 SHORT TERM INVESTMENTS

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

	Unrestricted	Institution and Group Restricted	Total 2020	Total 2019
	£	£	£	£
Income and Capital Account	16	712	728	272
Money market account	621,000	-	621,000	485,000
	621,016	712	621,728	485,272

14 CREDITORS

	Group		Institution	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year:				
Trade creditors	177,944	71,602	177,847	71,390
Other tax and social security	78,904	71,390	79,084	69,312
Other creditors	36,193	12,141	36,193	12,141
Accruals and deferred income	535,356	600,597	534,271	599,447
	828,397	755,730	827,395	752,290

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

15 DEFERRED INCOME

Group and Institution

Movements in deferred income

	£
Balance as at 1 January 2020	318,123
Released during the year	(309,820)
Deferred during the year	402,408
Balance as at 31 December 2020	410,711

Deferred income is made up of:

	2020	2019
	£	£
Membership income received in advance	301,242	288,569
Event income received in advance	27,902	8,190
Technical Income Received in Advance	72,897	17,381
History Fund Income received in advance	279	343
Journal Income received in advance	8,391	3,640
	410,711	318,123

Membership income received in advance relates to subscriptions received in relation to the year to December 2021 received in the year. Other income received in advance relates to journal advertising income and History Fund income in relation to the year to December 2021 received in the year.

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

16 FUNDS

Restricted

1. Scholarship, Medals, Prized and Lectureship Fund

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

2. History Fund

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

3. Gas Innovation Fund (previously LNG Fund)

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

4. Scottish Section Education Fund

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

5. Gas Industry Unsafe Procedures (GIUSP)

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

6. Hydrogen Standards Innovation Fund

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

Designated

1. Development Fund

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

2. Sections

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

3. Property maintenance reserve

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

Unrestricted

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

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

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

17 MOVEMENT OF FUNDS

	Balance at 1 January 2020 £	Income £	Expenditure £	Investment movement £	Transfers £	Balance at 31 December 2020 £
Unrestricted Funds						
Group & Institution						
General	900,000	1,710,292	(1,621,883)	121,245	(209,654)	900,000
Property & assets	1,263,416	-	(22,658)	-	-	1,240,758
	2,163,416	1,710,292	(1,644,541)	121,245	(209,654)	2,140,758
Restricted Funds						
Institution						
Scholarship and Medals Fund	673,846	13,746	(53,614)	34,459	(11,000)	657,437
Gas Innovation Fund	559,366	11,735	(33,792)	30,414	-	567,723
Hydrogen Standards Innovation Fund	-	431,720	(144,285)	-	100,000	387,435
GIUSP	29,500	-	(7,500)	-	-	22,000
Group (including above)						
Scotland Section	20,134	134	-	-	-	20,268
History Fund	8,065	2,044	(2,754)	-	-	7,355
	1,290,911	459,379	(241,945)	64,873	89,000	1,662,218
Designated Funds						
Institution						
Development	1,434,042	-	(35,177)	-	109,654	1,508,519
Property Maintenance Reserve	150,000	-	-	-	-	150,000
Sections:						
Northeast and Yorkshire	10,543	870	(831)	-	-	10,582
Welsh	20,247	791	(224)	(2,758)	-	18,056
Midlands	23,167	3,600	(815)	-	-	25,952
North West	17,977	20	(2,053)	-	-	15,944
Far East	10,995	-	-	-	-	10,995
London, Southern & Eastern	12,319	-	195	-	-	12,514
South West	5,433	500	(390)	-	-	5,543
Irish	4,170	-	-	-	-	4,170
Industrial Affiliates	7,153	-	-	-	-	7,153
Young Persons Network	2,410	2,487	(90)	-	11,000	15,807
Group (including above)						
Scotland	12,112	4,864	(4,127)	-	-	12,849
	1,710,568	13,132	(43,512)	(2,758)	120,654	1,798,084
	5,164,895	2,182,803	(1,929,998)	183,360	-	5,601,060

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

17 MOVEMENT OF FUNDS (continued)

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

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
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18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted/ designated funds £	Restricted funds £	Total 2020 £
Fund balances at 31 December 2020 are represented by:			
Tangible fixed assets	1,240,758	-	1,240,758
Investments	2,478,951	1,312,579	3,791,530
Cash	739,367	28,850	768,217
Net current (liabilities)/assets	(520,234)	320,789	(199,445)
Total net assets	3,938,842	1,662,218	5,601,060
	Unrestricted/ designated funds £	Restricted funds £	Total 2019 £
Fund balances at 31 December 2019 are represented by:			
Tangible fixed assets	1,263,416	-	1,263,416
Investments	2,363,646	1,238,250	3,601,896
Cash	609,510	28,708	638,218
Net current (liabilities)/assets	(362,588)	23,953	(338,635)
Total net assets	3,873,984	1,290,911	5,164,895

19 COMMITMENTS UNDER OPERATING LEASES

As at 31 December 2020 the Group and Institution had commitments under operating leases as follows:

	2020 £	Other 2019 £
Group and Institution		
Within one year	4,677	6,276
Between two and five years	5,674	10,177
	10,351	16,453

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

	2020 £	2019 £
Net income/(expenditure) for the reporting period	436,165	310,795
Adjustments for:		
Depreciation charges	25,879	31,925
Gain on disposal of investments	(77)	(5,311)
Fair value gains on investments	(183,283)	(418,181)
Management fees paid on investments	-	17,421
Dividends, interest and rents from investments	(75,239)	(94,440)
Increase in debtors	(211,857)	(54,920)
Increase in creditors	72,667	152,547
Net cash provided/(used) by operating activities	64,255	(60,164)

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

21 ANALYSIS OF NET DEBT

	1 January 2020 £	Cash flows £	31 December 2020 £
Short term investments	485,272	136,456	621,728
Cash	152,946	(6,457)	146,489
Total net assets	3,873,984	129,999	5,164,895

22 TRANSFER BETWEEN FUNDS

A transfer of £209,654 was made from the General Reserve (Unrestricted Fund) to the Development Fund (Designated Fund) in consideration of the Reserves Policy to maintain the General Reserve at up to six months of expenditure.

A transfer of £100,000 was made from the Development Fund (Designated Fund) to the Hydrogen Standards Innovation Fund (Restricted Fund) to support the project work and initiate the funding.

A transfer of £11,000 was made from the Scholarships & Medals (Restricted Fund) to the Young Persons Network Section Funds (Designated Fund) to provide funding to them to manage the annual competition event and prize normally funded directly from HQ. This will be spent next year and beyond.

23 RELATED PARTY TRANSACTIONS

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

24 CONSOLIDATED ENTITIES

The entities included in the consolidation are:

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

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

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

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

	2020	2019
	£	£
Financial assets		
Financial assets measured at amortised cost	1,333,430	928,207
Financial liabilities		
Financial liabilities measured at amortised cost	749,493	684,340

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

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

Institution of Gas Engineers and Managers
IGEM House
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Registered Charity - 214011

