



ANNUAL REPORT AND ACCOUNTS

2021

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

Trustees' Report and Financial Statements

Year Ended 31 December 2021

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

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THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

LEGAL AND ADMINISTRATIVE INFORMATION

Officers and Council Members as at 31st December 2021:

President	Benjamin Clarke CEng FIGEM IET	
Past President	Duncan Wong CEng FIGEM FHKIE	
President Elect	David Parkin CEng FIGEM	
Vice President	Andrew Musgrave CEng FIGEM	
Honorary Secretary*	Gordon Davies CEng FIGEM	
Chief Executive*	Oliver Lancaster BSc MSc FGS EngTech FIGEM	
Ordinary Members	Trevor Smallpeice EngTech FIGEM Ben Kuchta CEng FIGEM David Tomkin EngTech FIGEM Gordon McMillan AIGEM David McLeod CEng MIGEM Bridget Hartley CEng MIGEM Steve Critchlow EngTech MIGEM Michael Blake CEng MIMechE MIGEM David Denniff CEng MIMechE FIGEM Jordan Rowbottom CEng FIGEM Chi Kin Peter Chak BSc CEng FIGEM Lucy Ritchie MIGEM	
Section Members	Cheung Pak-kin CEng MIGEM James McStravog HCEng MIGEM Andrew Musgrave CEng FIGEM Tim Roff CEng MICE MIGEM Andrew Fuller EngTech MIGEM Glenn Halton MIGEM Stuart McLeod IEng MIGEM Sean Noonan FIGEM Matthew Davies CEng MIMechE MIGEM George Brookfield CEng MIGEM Gary Hesketh EngTech 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 Antony Green CEng FCIWEM CWEM MIW FIGEM	

*denotes Non-Trustee

Also, Trustees for the period to 18th May 2021:

Gary Tomlin BSc MSc PGDip CEng FIGEM	Andrew Middleton EngTech MIGEM
Albert Leung BSc CEng FIGEM	Philippa Wrenn CEng MIGEM
Barry Dalus IEng MIGEM	Peter Davis IEng MIGEM
Elliot Ross MIGEM	Phil Jenkins MIGEM
Ben Hanley AIGEM	Paul Rhodes MIGEM

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

LEGAL AND ADMINISTRATIVE INFORMATION

Secretariat Senior Staff

Chief Executive Officer	Oliver Lancaster BSc MSc FGS EngTech FIGEM
Head of Technical Services & Policy	Ian McCluskey BEng CEng FIMechE FIGEM
Head of Finance & Business	Wendy Cheung FCCA ACCA MBA BSc(Hons) AIGEM
Head of Membership Services	Claire McHugh BA(Hons) AIGEM
Head of Marketing & Events	Carl Stokes AIGEM

Charity Number 214011

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

Auditors UHY Hacker Young
14 Park Row
Nottingham
NG1 6GR

Bankers HSBC Bank Plc
117 Great Portland Street
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Solicitors Browne Jacobson LLP
Mowbray House
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Nottingham
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Investment Managers Rathbones Investment Management
8 Finsbury Circus
London
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THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

YEAR ENDED 31 DECEMBER 2021

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 2021. 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 and net zero legislation, which 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 start of our journey towards the transformation of our industry.

The shift to net zero is taking place in an environment that is increasingly integrated between gas and electricity in the whole energy system as we see an increased biomethane supply, the strides towards network repurposing for hydrogen and in meeting today's and tomorrow's demands for industrial processes, heating of buildings, flexible power generation and for the fuelling of transport. Our Business Plan will need to evolve as the energy transition landscape evolves, steering the sector through periods of evidence gathering, policy setting and new price controls. The 2020s are the decade to make a difference and set the pathway for delivering a clean world for our future generations.

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 that 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, supplementary publications, website, communications, conferences, lectures, technical training, policy development activity, external events and significant growth in social media engagement. In addition, technical advancement is achieved through review and development of Industry Standards and recommendations, research, networking and support, particularly with our leadership, support by many volunteers, across the hydrogen space.

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

YEAR ENDED 31 DECEMBER 2021

TRUSTEES' REPORT

Objectives and Activities (continued)

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. It is worth noting that this lifeblood of the Institution invigorates our strategic goals at a local level, reaching out for collaboration, making links with the education sector, driving engagement for shared learning, developing and adopting innovation, and supporting awareness raising of our activities and achievements outside of the gas sector for the benefit of our collective futures.

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. 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, advancements in energy systems thinking 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, responding to consultations influencing statutory regulation, contribution to energy policy activities and reports with the Policy Connect think tank and other Professional Engineering Institutions, and publishing our own white paper;
- 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 – including new standards and additions to existing standards for the use of hydrogen;
- 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;
- 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, such as our Housing Partnership.

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

YEAR ENDED 31 DECEMBER 2021

TRUSTEES' REPORT

Public Benefit Statement (continued)

Our public benefit activities focus on the safe passage of gas through the supply chains from conventional natural gas entry points through to safe use by the public and by business consumers, including industry, power generation and transport. We've also played a key role in developing the opportunity for unconventional gas grid entry, safe passage and consumption with biomethane, whilst preparing the way for hydrogen. 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 for carbon monoxide and energy system research.

Structure, Governance and Management

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

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

- 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*

*denotes Non-Trustee

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*

*denotes Non-Trustee

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

YEAR ENDED 31 DECEMBER 2021

TRUSTEES' REPORT

Structure, Governance and Management (continued)

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 hires out conference and meeting facilities to third parties.

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

IGEM operates a number of Boards, Committees, Sub-Committees, Panels and working groups, 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 2021, there are approximately 568 volunteers actively involved in IGEM who collectively provide volunteer services totalling around 13,434 hours, equivalent to eight full time staff.

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

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

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

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

YEAR ENDED 31 DECEMBER 2021

TRUSTEES' REPORT

Structure, Governance and Management (continued)

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 and 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 Affiliate Section, which represents our business members. These members include gas network operators, gas supply businesses, companies engaged within the supply chain, consultancies, housing associations and educational establishments.
- Young Persons Network, which gives 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 aged 35 and under are supported by our YPN. The flagship event of the YPN is its short paper competition. The winner of the YPPC 2021 was Dexter Hong, Engineer at the Hong Kong and China Gas Co. Ltd. The title of his paper is "Development of a Smart Control Device for Domestic Cooking Appliances." The project looked at developing a device that can work with conventional cooking appliances to perform smart safety functions, ensuring home safety by supporting busy and forgetful users.

Covid-19

As reported previously, the Covid-19 pandemic 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. This has continued well throughout 2021. Despite preparing to welcome staff back to begin a phase-in towards hybrid working before Christmas, this had to be put on hold as a result of the rapidly advancing Omicron variant. Ad-hoc staff attendance occurred during 2021 as and when this was necessary.

Most income streams and sales continued to be maintained, except for events, conferencing, and facility services, which were all negatively impacted. Our online platforms have enabled us to continue delivery of conferences, events and training, to support the CPD delivery and services to our members. Plans are in place to return to in-person events in 2022, whilst still offering the convenience of some online activities.

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 2021 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.

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

YEAR ENDED 31 DECEMBER 2021

TRUSTEES' REPORT

Achievement and Performance

IGEM maintains ISO 9001:2015 quality accreditation.

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

Membership services recruited and supported members during the year (below), including delivery of mentoring and Continuing Professional Development.

Highlights for 2021 include the effective implementation and transition to the Engineering Council's new edition of its internationally-recognised standards of professional competence and commitment (UK-SPEC). We have also introduced an Experiential Learning pilot which enables those with the required qualifications or evidence of knowledge and understanding for Incorporated Engineer to demonstrate they meet the learning requirements for Chartered Engineer through this additional pathway. We are working on embedding this new process which we hope will be available to all by the end of 2022.

Our annual CPD sampling exercise continued and individual feedback was provided to those who submitted a CPD record to support them with their CPD journey. Two members had to be removed from the register due to non-compliance.

Individual Members	Opening*	New	Lapsed or resigned	Grade Movement		Closing
				In	Out	
Honorary	6	0	1	0	0	5
Companion	23	0	1	0	0	22
Fellow	233	0	20	16	0	227
Chartered Member	1,130	20	57	18	10	1,096
Incorporated Member	395	5	23	9	7	377
Engineering Technician Member	654	95	61	14	10	693
Member Manager	125	9	14	1	2	120
Associate Member	7	0	0	0	1	6
Graduate	109	23	27	1	9	97
Associate	470	93	89	1	17	463
HKC Associate	0	11	0	0	0	11
Gas Technician	93	29	14	0	1	106
Licensed Gas Technician	22	3	0	0	0	25
Students	156	6	52	0	3	110
Total	3,423	294	359	60	60	3,358

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

YEAR ENDED 31 DECEMBER 2021

TRUSTEES' REPORT

Achievement and Performance (continued)

Industrial Affiliate Members	Opening	New	Lapsed or resigned	Grade Movement	Closing
Small (1-5 employees)	94	14	10	-1	97
Small - Medium (6-15 employees)	60	12	2	-1	69
Medium (16-99 employees)	92	9	4	-1	96
Medium - Large (100-499 employees)	66	2	1	0	67
Large (500+ employees)	23	3	1	0	25
Housing Partner	0	5	0	3	8
Total	335	45	18	0	362

A program of awarding grants and scholarships progressed, with a high quality of applications resulting in four undergraduate and two postgraduate scholarships and an EngTech 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/G/11 Edition 2 *Gas industry unsafe situations procedure*
- IGEM/IG/1 Edition 2 *Standards of training in gas work*
- IGEM/GL/1 Edition 3 *Planning of distribution systems of MOP not exceeding 16bar*
- IGEM/TD/1 Edition 6 *Steel pipelines for high pressure gas transmission*
- IGEM/TD/1 Supplement 2 *High pressure hydrogen pipelines*
- IGEM/TD/13 Supplement 1 *Pressure regulating installations for hydrogen at pressures >7bar*
- IGEM/TD/12 Edition 3 *Pipework stress analysis for gas industry plant*

2021 saw continued commitment to the UK's transition to net-zero, reflected in the government's UK hydrogen strategy. This strategy set out the approach to developing a thriving low carbon hydrogen sector in the UK to meet an ambition for 5GW of low carbon hydrogen production capacity by 2030. 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 published our first policy paper on Engineering a Sustainable Gas Future. This document outlines the current UK gas policy landscape, our stance and what contribution we are making as an organisation. This was published in the Policy Hub, which promotes IGEM as a trusted source of policy news, consultations, policy statements and research reports.

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

YEAR ENDED 31 DECEMBER 2021

TRUSTEES' REPORT

Achievement and Performance (continued)

The HyTechnical project, which is NIA-funded collaboration between IGEM and the UK gas networks, led to the publication of the first ever standards for hydrogen pipelines. IGEM published IGEM/TD/1 Supplement 2 High pressure hydrogen pipelines and IGEM/TD/13 Supplement 1 Pressure regulating installations for hydrogen at pressures >7bar.

With the funding awarded from the Department for Business, Energy & Industrial Strategy (BEIS), IGEM launched the 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. The repository includes over 2,800 resources, from 320 credible sources, across 70 countries. By the end of 2021 the platform had been accessed more than 14,000 times. At this scale and breadth of knowledge sharing, the Hydrogen Knowledge Centre is actively advancing the collective understanding of this vital energy vector and helping to bring us one step closer to net zero.

The events and conferences program continued with the backdrop of COVID, with digital delivery still providing favourable attendance and engagement. The Annual Conference 'ROAD TO 2050: Leading the Energy Transition' took place online with a two day extensive programme exploring Ensuring People's Safety, Maintaining Security of Supply, Policy into Practice, and concluding with a closed YPN Session on Day 1. Day 2's agenda started with Focusing on People's Needs, then Delivering Jobs and Investment, and concluding with Gas Network Collaboration and Panel.

The Hydrogen Knowledge Centre launch saw record event attendance in March, with the Sir Denis Rooke Memorial Lecture following later in the month delivered by Lord John Browne of Madingley. The Gas Industry Awards took a revised format due to COVID and delivered a feature-rich event celebrating winners and runners up that was streamed globally, with webinar events running pre and post the awards. June saw the IGEM deliver our first Safety Conference. September gave a rare in-person opportunity for the IGEM team with a stand at The Installer Show, engaging with downstream engineers, partners with networking over the 3 days. December saw the YPPC Final take place online rather than the planned in-person event, due to government restrictions, which had a global audience hearing from the heavily-contested shortlist.

In addition, we successfully trialed the delivery of IGEM Hosted Events where our digital platforms and resources supported our members, networks and industry working together to launch and update on projects and initiatives.

During the year, webinar events increased to meet demand, with our Henry Cavendish Series and a number of others aimed specifically at the Housing Partner Membership that we launched in 2021.

Investments

IGEM's Portfolio of Investments are managed by Rathbones Investment Management and are 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 INSTITUTION OF GAS ENGINEERS AND MANAGERS

YEAR ENDED 31 DECEMBER 2021

TRUSTEES' REPORT

Investments (continued)

The portfolios (General Fund, Scholarship & Medals Fund, Gas Innovation Fund, and M&G Income bond fund) have produced a level of income at 2.2%, being £82,508, and produced an annual total return (including dividend and realised gain) of 15.7% compared to an annual average benchmark portfolio return of 6.8%. Total market value movement of £472,235 contributed positively to the holdings.

2021 Financial Review

Funds Summary

	2021	2020
General Reserve	900,000	900,000
Development Fund	1,775,650	1,508,519
Property Maintenance Reserve	150,000	150,000
S&M	719,690	657,437
Gas Innovation Fund	632,090	567,723
Hydrogen Standards Innovation Fund	258,612	387,435
GIUSP	14,500	22,000
Sections	171,847	159,833
History	7,237	7,355
Property & Assets	1,244,347	1,240,758
	5,873,975	5,601,060

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.

The Development Reserve is for future investment into the development of the Institution and to facilitate the investment into the energy transformation that is facing the industry. In 2021, after a strategic review, Council approved the funding for the Digital Evolution and Engagement Project (Project DEEP) up to £250,000 with 10% contingency from the Development Reserve to upgrade IGEM's CRM system and website. Council also agreed to fund £50,000 from the Development Reserve to explore the creation of a new hydrogen professionals' network, led by a working group supported by YPN representatives. Both projects were started in 2021 with continuation in the coming year.

The General Reserve is our 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 £5,873,975. This is constituted of general, designated and restricted funds as detailed below.

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

YEAR ENDED 31 DECEMBER 2021

TRUSTEES' REPORT

Reserves (continued)

Restricted	1,652,399
Designated	2,077,226
Fixed Assets	1,244,349
General Reserve	<u>900,000</u>
	<u>5,873,975</u>

The expected timeframe of expenditure of the designated and restricted funds will be in line with the external environment of the transition of the energy system over the decade to 2030 and starting in 2020 with investment in innovation, 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, our quality assurance management system that complies with BS EN ISO 9001:2015 standard and also a comprehensive risk register to identify, monitor and improve controls embedded within the organisation.

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

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

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

In 2022, 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.

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

TRUSTEES' REPORT

This report was approved by the Council and signed on its behalf.

Benjamin Clarke
President

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

YEAR ENDED 31 DECEMBER 2021

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.

**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 2021 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 2021 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

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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 charitable company 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 charitable company, which were contrary to applicable laws and regulations including fraud, and we

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

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 Companies Act 2006. 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 charitable company'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 the Charity Commission;
- review of 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)

[DATE]

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 2021

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2021 £	TOTAL 2020 £
Incoming Resources						
Grant Income	6	(52,382)	-	-	(52,382)	52,382
Charitable Activities	2	1,784,040	38,201	183,953	2,006,194	2,030,724
Rent receivable		27,968	-	-	27,968	24,458
Investment Income	3	53,839	2,206	28,725	84,770	75,239
Total Incoming Resources		1,813,465	40,407	212,678	2,066,550	2,182,803
Resources Expended						
Raising Funds						
Investment Mgr Fees		5,191	-	2,775	7,966	5,004
Trading Expenditure		3,022	-	-	3,022	12,226
		8,213	-	2,775	10,988	17,230
Charitable Activities	4,5	1,735,781	135,319	383,782	2,254,882	1,912,768
Total Resources Expended		1,743,994	135,319	386,557	2,265,870	1,929,998
Net gains on Investments	8	306,679	1,494	164,062	472,235	183,360
Net Income/(Expenditure)		376,150	(93,418)	(9,817)	272,915	436,165
Transfer between Funds	22	(372,561)	372,561	-	-	-
Net Movement in Funds		3,589	279,143	(9,817)	272,915	436,165
Total Funds Brought Forward		2,140,758	1,798,084	1,662,218	5,601,060	5,164,895
Total Funds Carried Forward	17	2,144,347	2,077,227	1,652,401	5,873,975	5,601,060

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

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

		2021	2020
		£	£
Fixed Assets			
Tangible	9	1,244,347	1,240,758
Investments	10	<u>4,269,320</u>	<u>3,791,530</u>
		5,513,667	5,032,288
Current Assets			
Debtors	11	268,286	628,952
Short Term Investments	13	756,642	621,728
Cash at bank and in Hand	12	<u>213,494</u>	<u>146,489</u>
		1,238,422	1,397,169
Creditors	14	<u>(878,114)</u>	<u>(828,397)</u>
Net Current Assets		360,308	568,772
Total Assets less Current Liabilities		<u><u>5,873,975</u></u>	<u><u>5,601,060</u></u>
FUNDS			
Unrestricted	17	2,144,347	2,140,758
Restricted	17	1,652,401	1,662,218
Designated	17	<u>2,077,227</u>	<u>1,798,084</u>
		<u><u>5,873,975</u></u>	<u><u>5,601,060</u></u>

The financial statements were approved and authorised for issue by the Council and were signed on its behalf on

Benjamin Clarke
President

The notes on pages 24 to 40 form part of these accounts

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2021

		2021	2020
		£	£
Fixed Assets			
Tangible	9	1,244,347	1,240,758
Investments	10	<u>4,269,523</u>	<u>3,792,530</u>
		5,513,870	5,033,288
Current Assets			
Debtors	11	270,839	630,888
Short Term Investments	13	756,642	621,728
Cash at bank and in Hand	12	<u>168,112</u>	<u>102,075</u>
		1,195,593	1,354,691
Creditors	14	<u>(875,847)</u>	<u>(827,395)</u>
Net Current Assets		319,746	527,296
Total Assets less Current Liabilities		<u>5,833,616</u>	<u>5,560,584</u>
FUNDS			
Unrestricted	17	2,144,347	2,140,758
Restricted	17	1,624,894	1,634,594
Designated	17	<u>2,064,375</u>	<u>1,785,232</u>
		<u>5,833,616</u>	<u>5,560,584</u>

The financial statements were approved and authorised for issue by the Council and were signed on its behalf on

Benjamin Clarke
President

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Net cash from operating activities	20	<u>155,491</u>	<u>64,255</u>
Cash flows from Investing Activities:			
Dividends received & Interest		84,770	75,239
Purchase of property, plant and equipment		(32,787)	(3,221)
Purchase of Investment		(12,343)	(10,706)
Proceeds from sale of investments		6,788	4,432
Net cash used in investing activities		<u>46,428</u>	<u>65,744</u>
 Increase in cash and cash equivalents in the reporting period		 201,919	 129,999
 Cash and cash equivalent at the beginning of the reporting period		 <u>768,217</u>	 <u>638,218</u>
Cash and cash equivalent at the end of the reporting period		<u>970,136</u>	<u>768,217</u>
 Relating to:			
Cash at Bank and in hand		213,494	146,489
Short Term Investments		<u>756,642</u>	<u>621,728</u>
		<u>970,136</u>	<u>768,217</u>

The notes on pages 24 to 40 form part of these accounts

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

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 2021

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 2021

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 2021

2 CHARITABLE ACTIVITIES

Activities in the furtherance of the charity's objectives.

	Unrestricted	Designated	Restricted	Total 2021	Total 2020
	£	£	£	£	£
Membership	768,539	-	-	768,539	743,570
Technical	770,918	-	181,777	952,695	1,137,179
Conferences & Events	161,656	-	50	161,706	65,543
Journal	82,927	-	-	82,927	70,047
Section Income, Excl Scottish Section	-	35,517	-	35,517	7,477
Scottish Section Income	-	2,684	-	2,684	4,864
History Fund	-	-	2,126	2,126	2,044
	1,784,040	38,201	183,953	2,006,194	2,030,724

In 2020, of total income from charitable activities, £1,584,519 was to unrestricted funds, £12,341 was to designated funds and £433,864 was to restricted funds.

3 INVESTMENTS

Investment Income	Unrestricted	Designated	Restricted	Total 2021	Total 2020
	£	£	£	£	£
Bank Interest	54	-	2	56	1,054
Dividends Received	53,785	2,206	28,723	84,714	74,185
	53,839	2,206	28,725	84,770	75,239

In 2020, of total income from investments, £48,933 was to unrestricted funds, £791 was to designated funds and £25,515 was to restricted funds.

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

4 CHARITABLE EXPENDITURE

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

	Staff Costs £	Other Costs £	Support Costs* £	Total 2021 £	Total 2020 £
General Funds:					
Membership	187,530	46,328	137,914	371,772	358,609
Technical	266,444	99,477	170,960	536,881	597,271
Conferences, Events, Marketing & Media	229,989	154,511	29,018	413,518	265,154
Journal	41,544	157,987	14,881	214,412	199,710
Facilities	-	697	6,413	7,110	17,648
Establishment	89,130	102,958	-	192,088	190,654
	814,637	561,958	359,186	1,735,781	1,629,045
Designated Funds:					
Section Expenditure	-	29,892	-	29,892	8,335
Development	-	105,427	-	105,427	35,177
	-	135,319	-	135,319	43,512
Restricted Funds:					
Scholarships & Medals	-	38,771	-	38,771	52,684
Gas Innovation	-	24,667	-	24,667	32,988
Hydrogen Standards Innovation Fund	-	310,600	-	310,600	144,285
GIUSP	-	7,500	-	7,500	7,500
History Fund	-	2,244	-	2,244	2,754
	-	383,782	-	383,782	240,211
	814,637	1,081,059	359,186	2,254,882	1,912,768

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

5 SUPPORT AND GOVERNANCE COSTS

	Staff Costs £	Other Costs £	Total 2021 £	Total 2020 £
<u>General & Support Costs:</u>				
Central Support	166,958	-	166,958	186,386
Legal and Professional Fees	-	5,707	5,707	1,035
Council Meetings & Staff Expenses	-	13,417	13,417	20,306
Bank & Credit Charges	-	15,033	15,033	17,469
Recruitment	-	12,789	12,789	4,804
Sundry	-	462	462	271
Staff Training	-	23,712	23,712	1,873
Postage & Telephone	-	24,221	24,221	25,925
Printing & Stationery	-	4,501	4,501	7,993
Computer Expenses	-	64,746	64,746	70,495
Subscriptions and Other Costs	-	6,342	6,342	4,650
Irrecoverable VAT	-	10,729	10,729	8,724
<u>Governance Costs:</u>				
Audit & Accountancy Fees	-	10,088	10,088	9,567
Council and Trustee Expenses	-	481	481	1,467
	166,958	192,228	359,186	360,965

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:

	2021 £	2020 £
Depreciation of Tangible Fixed Assets	29,198	25,879
Operating Lease Rentals	4,677	6,276
Government grants repaid/(received)	52,382	(52,382)
Audit and Accountancy Charges:		
Statutory Audit	10,300	9,800

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

7 STAFF COSTS

The average monthly number of employees during the year was:

	2021	2020
	No.	No.
Office and Management	25	25

	2021	2020
	£	£
Staff Costs:		
Direct Salaries	806,454	798,761
National Insurance Contributions	76,073	77,021
Pension Contributions	99,066	86,885
	<u>981,593</u>	<u>962,667</u>

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

	2021	2020
	No.	No.
£60,000 to £70,000	1	-
£70,000 to £80,000	-	2
£90,000 to £100,000	1	1

The pension contributions made to the highest paid employee were £16,879 (2020: £nil).

The Trustee members of the Council received no remuneration during the year but travel expenses of £481 were reimbursed to 3 Council members (2020: £1,467 to 4 members).

The Institution considers its key management personnel to comprise the Chief Executive Officer and the senior management team. The total employment benefits including employer pension contributions of the six (2020: six) key management personnel were £411,069 (2020: £424,160).

8 NET GAINS ON INVESTMENT ASSETS

	Unrestricted Funds	Restricted Funds	Designated Funds	Total 2021	Total 2020
	£	£	£	£	£
Gains on disposals	892	252	-	1,144	77
Net unrealised gains on revaluation to market value	305,787	163,810	1,494	471,091	183,283
	<u>306,679</u>	<u>164,062</u>	<u>1,494</u>	<u>472,235</u>	<u>183,360</u>

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

9 TANGIBLE FIXED ASSETS

Group and Institution

Tangible Fixed Assets	Land & Buildings £	Office Equipment £	Total £
Cost			
At 1 January 2021	1,529,455	235,912	1,765,367
Additions	9,932	22,855	32,787
Transfer	(3,221)	3,221	-
At 31 December 2021	1,536,166	261,988	1,798,154
Depreciation			
At 1 January 2021	289,879	234,730	524,609
Charge for the Year	24,723	4,475	29,198
At 31 December 2021	314,602	239,205	553,807
Net Book Amount			
At 31 December 2021	1,221,564	22,783	1,244,347
At 31 December 2020	1,239,576	1,182	1,240,758

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 £259,349 (2020: £251,796). While the collection of library books with an insurance value of £53,045 (2020: £53,045).

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

10 INVESTMENTS

Group
Quoted Investments

	Unrestricted & Designated	Restricted	Total 2021	Total 2020
	£	£	£	£
Market Value at 1 January 2021	2,478,951	1,312,579	3,791,530	3,601,896
Additions	-	12,343	12,343	10,706
Disposals	(4,408)	(1,236)	(5,644)	(4,355)
Revaluation to market value	307,281	163,810	471,091	183,283
Market Value at 31 December 2021	<u>2,781,824</u>	<u>1,487,496</u>	<u>4,269,320</u>	<u>3,791,530</u>
Historical Cost at 31 December 2021	<u>2,189,562</u>	<u>1,170,975</u>	<u>3,360,537</u>	<u>3,353,833</u>
The Investments are split as follows				
Rathbones Core Investment Fund for Charities	2,766,244	1,487,496	4,253,740	3,777,444
M&G Investments	15,580	-	15,580	14,086
	<u>2,781,824</u>	<u>1,487,496</u>	<u>4,269,320</u>	<u>3,791,530</u>

Institution

	Unrestricted & Designated	Restricted	Total 2021	Total 2020
	£	£	£	£
Quoted Investments	2,781,824	1,487,496	4,269,320	3,791,530
IGEM House Ltd	1,000	-	1,000	1,000
	<u>2,782,824</u>	<u>1,487,496</u>	<u>4,270,320</u>	<u>3,792,530</u>

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
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10 INVESTMENTS (continued)

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

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so their 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

Debtors	Group		Institution	
	2021 £	2020 £	2021 £	2020 £
Due within one year				
Trade debtors	206,021	564,983	203,666	564,593
Amounts due from Group				
Undertakings	-	-	4,908	2,326
Other Debtors	-	230	-	230
Prepayments & Accrued Income	62,265	63,739	62,265	63,739
	<u>268,286</u>	<u>628,952</u>	<u>270,839</u>	<u>630,889</u>

12 CASH AT BANK AND IN HAND

Cash at Bank and in Hand	Group		Institution	
	2021 £	2020 £	2021 £	2020 £
Unrestricted	143,386	94,506	138,942	91,081
Designated	42,021	23,845	29,170	10,994
Restricted	28,087	28,138	-	-
	<u>213,494</u>	<u>146,489</u>	<u>168,112</u>	<u>102,075</u>

13 SHORT TERM INVESTMENTS

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

Group and Institution

	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
Income and Capital Account	125	517	642	728
Money Market Account	756,000	-	756,000	621,000
	<u>756,125</u>	<u>517</u>	<u>756,642</u>	<u>621,728</u>

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14 CREDITORS

Creditors	Group		Institution	
	2021	2020	2021	2020
	£	£	£	£
Due within one year				
Trade Creditors	138,581	177,944	138,484	177,847
Other Tax and Social Security	49,804	78,904	49,012	79,084
Other Creditors	171,464	36,193	171,465	36,193
Accruals and Deferred income	518,265	535,356	516,886	534,271
	<u>878,114</u>	<u>828,397</u>	<u>875,847</u>	<u>827,395</u>

15 DEFERRED INCOME

Group and Institution

Movements in Deferred Income:

Balance at 1 January 2021	410,711
Released during the year	(402,610)
Deferred during the year	<u>399,810</u>
Balance at 31 December 2021	<u>407,911</u>

	2021	2020
	£	£
Deferred Income is made up of:		
Membership Income received in advance	312,694	301,242
Event Income received in advance	7,975	27,902
Technical Income received in advance	57,710	72,897
Hydrogen Knowledge Centre received in advance	12,750	-
History Fund Income received in advance	572	279
Journal Income received in advance	16,210	8,391
	<u>407,911</u>	<u>410,711</u>

Membership income received in advance relates to subscriptions received in relation to the year to December 2022 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 2022 received in the year.

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16 FUNDS

Restricted

1. Scholarship, Medals, Prized and Lectureship Fund

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

2. History Fund

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

3. Gas Innovation Fund (previously LNG Fund)

The surplus from the 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 represent the net book value of fixed asset acquired and funded from the Charity's unrestricted funds.

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YEAR ENDED 31 DECEMBER 2021

17 MOVEMENT OF FUNDS

	Balance at 1st Jan 2021	Income	Expenditure	Investment Movement	Transfers	Balance at 31st Dec 2021
Unrestricted Funds						
Group and Institution						
General Reserve	900,000	1,813,465	(1,747,583)	306,679	(372,561)	900,000
Property and Assets	1,240,758	-	3,589	-	-	1,244,347
	2,140,758	1,813,465	(1,743,994)	306,679	(372,561)	2,144,347
Restricted Funds						
Institution						
Scholarships & Medals Fund	657,437	15,337	(40,246)	87,163	-	719,691
Gas Innovation Fund	567,723	13,436	(25,967)	76,899	-	632,091
Hydrogen Standards Innovation Fund	387,435	181,777	(310,600)	-	-	258,612
GIUSP	22,000	-	(7,500)	-	-	14,500
Group (including above)						
History Fund	7,355	2,126	(2,244)	-	-	7,237
Scottish Section	20,268	2	-	-	-	20,270
	1,662,218	212,678	(386,557)	164,062	-	1,652,401
Designated Funds						
Institution						
Development	1,508,519	-	(105,427)	-	372,561	1,775,653
Property Maintenance Reserve	150,000	-	-	-	-	150,000
Sections:						
Northeast & Yorkshire	10,582	1,113	(1,914)	-	(188)	9,593
Welsh	18,056	712	(474)	1,494	-	19,788
Midlands	25,952	240	(1,161)	-	-	25,031
North West	15,944	8,977	(9,504)	-	188	15,605
Far East	10,995	25,481	(8,144)	-	-	28,332
London, Southern & Eastern	12,514	1,200	(5,237)	-	-	8,477
South West	5,543	-	-	-	-	5,543
Irish	4,170	-	-	-	-	4,170
Industrial Affiliates	7,153	-	-	-	-	7,153
Young Persons Network	15,807	-	(774)	-	-	15,033
Group (including above)						
Scottish	12,849	2,684	(2,684)	-	-	12,849
	1,798,084	40,407	(135,319)	1,494	372,561	2,077,227
	5,601,060	2,066,550	(2,265,870)	472,235	-	5,873,975

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17 MOVEMENT OF FUNDS (continued)

	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
	<u>2,163,416</u>	<u>1,710,292</u>	<u>(1,644,541)</u>	<u>121,245</u>	<u>(209,654)</u>	<u>2,140,758</u>
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
	<u>1,290,911</u>	<u>459,379</u>	<u>(241,945)</u>	<u>64,873</u>	<u>89,000</u>	<u>1,662,218</u>
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
	<u>1,710,568</u>	<u>13,132</u>	<u>(43,512)</u>	<u>(2,758)</u>	<u>120,654</u>	<u>1,798,084</u>
	<u>5,164,895</u>	<u>2,182,803</u>	<u>(1,929,998)</u>	<u>183,360</u>	<u>-</u>	<u>5,601,060</u>

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18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted/ Designated Funds £	Restricted Funds £	Total 2021 £
Fund Balances at 31 December 2021 are represented by:			
Tangible Fixed Assets	1,244,347	-	1,244,347
Investments	2,781,824	1,487,496	4,269,320
Cash	941,533	28,604	970,137
Net Current (liabilities)/assets	(746,130)	136,301	(609,829)
	4,221,574	1,652,401	5,873,975

	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

19 COMMITMENTS UNDER OPERATING LEASES

As at 31 December 2021 the Group and Institution had commitments under operating leases as follows:

	Other	
Group and Institution	2021 £	2020 £
Within one year	4,143	4,677
Between two and five years	5,518	5,674
	9,661	10,351

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
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20 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net income for the reporting period	272,915	436,165
Adjustments for:		
Depreciation charges	29,198	25,879
Gain on disposal of Investments	(1,144)	(77)
Gains on investments	(471,091)	(183,283)
Dividends, interest and rents from investments	(84,770)	(75,239)
Decrease/(increase) in debtors	355,766	(211,857)
Increase in creditors	54,617	72,667
Cash Generated from Operations	155,491	64,255

21 ANALYSIS OF NET DEBT

	1 January 2021 £	Cash flows £	31 December 2021 £
Short term investments	621,728	134,914	756,642
Cash	146,489	67,005	213,494
Total net debt	768,217	201,919	970,136

22 TRANSFER BETWEEN FUNDS

A transfer of £374,561 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 £188 was made between the designated fund of the Northeast & Yorkshire section and the North West section.

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
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25 FINANCIAL INSTRUMENTS

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

	2021	2020
	£	£
Financial assets		
Financial assets measured at amortised cost	1,181,057	1,333,430
Financial liabilities		
Financial liabilities measured at amortised cost	833,210	749,493

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

