

Registered Charity Number: 214011

ANNUAL REPORT AND ACCOUNTS

2022

Registered Charity Number: 214011

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

Trustees' Report and Financial Statements

Year Ended 31 December 2022

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 2022:

President	David Parkin CEng FIGEM	
Past President	Benjamin Clarke CEng FIGEM IET	
President Elect	Andrew Musgrave CEng FIGEM	
Vice President	David Tomkin EngTech FIGEM	
Honorary Secretary*	Benjamin Clarke CEng FIGEM IET	
Chief Executive*	Oliver Lancaster BSc MSc FGS EngTech FIGEM	
Ordinary Members	David McLeod CEng MIGEM Bridget Hartley CEng MIGEM Steve Critchlow EngTech MIGEM Michael Blake CEng MIMechE MIGEM Paul Denniff CEng MIMechE FIGEM Jordan Rowbottom CEng FIGEM Chi Kin Peter Chak BSc CEng FIGEM Lucy Ritchie MIGEM Sarah Williams MIGEM Gordon McMillan AIGEM Darren Elsom IEng FIGEM Nicola Evans CEng MIGEM	
Section Members	Heng Xiang Zhou CEng MIGEM Conor O'Reilly IEng MIGEM Simon Joyce IEng MIGEM Tim Roff CEng MICE MIGEM Adam Madgett EngTech TMIET MIGEM Lewis Watts CEng MWeldI MIGEM David Frost CEng MIGEM Kyle Lewis Tom Stuart Matthew Kluwe AIGEM Tony Wimpenny BEng MSc	Far East Irish London, Southern & Eastern Midlands North East & Yorkshire North West Scottish Welsh South West Young Persons Section Industrial Affiliate
Co-opted Members*	Hilary Buxton CEng MIMechE FIGEM Christopher Gorman CEng MIGEM Antony Green CEng FCIWEM CWEM MIW FIGEM Sheila Lauchlan BSc CEng FIGEM	

Also, Trustees for the period to 18th May 2022:

Duncan Wong CEng FIGEM FHKIE	Trevor Smailpeice EngTech FIGEM	
Ben Kuchta CEng FIGEM	Cheung Pak-kin BSc CEng FIGEM	
Gary Hesketh EngTech MIGEM	James McStravog HCEng MIGEM	
Andrew Fuller EngTech MIGEM	Glenn Halton MIGEM	
Stuart McLeod IEng MIGEM	Sean Noonan FIGEM	
Matthew Davies CEng MIMechE MIGEM	George Brookfield CEng MIGEM	*denotes Non - Trustee

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
Interim Head of Finance	Stephanie Hay BSc ACA
Head of Membership Services	Claire McHugh BA(Hons) AIGEM
Head of Corporate Affairs and Operations	Carl Stokes AIGEM

Charity Number 214011

Registered Office Institution of Gas Engineers and Managers
IGEM House
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Derbyshire
DE74 2DA

Auditors UHY Hacker Young
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Nottingham
NG1 6GR

Bankers HSBC Bank Plc
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Solicitors Browne Jacobson LLP
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Nottingham
NG2 1BJ

Investment Managers Rathbones Investment Management
8 Finsbury Circus
London
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THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

YEAR ENDED 31 DECEMBER 2022

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 2022. 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

IGEM has a significant opportunity to lead an ambitious response from our sector to engineer a sustainable gas future and help mitigate the impacts of climate change. IGEM needs to influence and keep in step with the evolving landscape, and our new Ambition, Priorities and Values will help deliver this for both our members and broader society for the gas system of today and tomorrow.

We are about to embark upon a new business plan covering the period 2023-2028 inclusive, which includes a critical timeframe of both regulatory and policy decisions that are expected to determine, and hopefully secure, the long-term direction of our industry.

At the end of 2022, we consolidated IGEM's focus and the way we go about our business – our identity – which is at our core as we serve our members and deliver our strategy.

Our Ambition is to be the world's leading institution for gas professionals, advancing the safety, reliability and sustainability of energy.

Our Priorities are core to our operation, supporting the delivery of our strategy for societal benefit:

- Promote, inspire and support the attainment and maintenance of the highest standards of professional competence and excellence through the provision of high-quality products and services.
- Design the gas system of the future, by leaning on our rich history and in leading the transition from fossil fuels to net zero, with low carbon gases as a critical part of a secure, whole energy system.
- Provide personal and professional development for members and staff to grow their skills and reach their full potential in a supportive and diverse business environment.
- Engage stakeholders and listen, advise and influence; developing innovation partnerships to build informed analysis and evidence.
- Ensure our governance framework is robust and fit for purpose to allow our charitable objectives to be conducted effectively and efficiently.

Our Values define our professionalism and behaviours. They reflect on our performance as a business and how we interact with members, colleagues, partners and customers:

- Excellence: to confidently and competently achieve, and help others achieve, the very highest standards.
- Integrity: doing the right thing based on core moral and ethical convictions.
- Respect: trusting, valuing and appreciating the work of colleagues, members, volunteers and stakeholders independent of their position or background.
- Open Mindedness: having an unprejudiced mindset that is receptive to new ideas and opinions that may differ to your own.
- Innovative: cultivate a community of engaged members and partners to undertake informed analysis and develop robust evidence to advise, influence and improve gas policy for public benefit.

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TRUSTEES' REPORT

Our business plan pushes stronger in some of our current delivery areas, but importantly introduces new activities to push the boundaries and grow the membership, revenue and impact of the Institution. Key activities continue, which includes 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.

Key Matters in 2022

Everyone at IGEM was saddened to hear of the passing of Her Late Majesty Queen Elizabeth II, who chose to be our Patron in 1953. We are grateful to our resident gas history expert, Russell Thomas, for putting a *Gi* article together to celebrate her life and association with the gas industry.

We also mourned the loss of our much-loved colleague, friend and Past President, Chris Bielby. He was much more than a long-standing member and tireless volunteer (to continually improve the sector and develop the next generation), but a part of the IGEM family through and through.

Another unexpected situation in 2022 was Russia's invasion of Ukraine and understanding how IGEM ought to respond, like other Professional Engineering Institutions were also considering. We were very pleased that we were able to donate £25k to support the supply of critical and urgently needed equipment to the Ukraine gas network operators, which we did in collaboration with the five gas networks in Britain.

Public Benefit Statement

We have referred to the guidance contained in the Charity Commission's general guidance of public benefit when considering our Ambition, Priorities and Values and in planning our future activities. In particular, the Trustees routinely consider how planned activities will contribute to the Ambition, Priorities and Values 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 and innovations through publications, conferences and events, at both national and local level;

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

YEAR ENDED 31 DECEMBER 2022

TRUSTEES' REPORT

- 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 natural gas and hydrogen 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;
- 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 and in developing relationships with India.

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, as well as the planning for their future energy needs as part of an affordable, just and secure transition. 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 and net zero policy 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 Chairs [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. Some Trustees change at IGEM's Annual General Meeting each year. Ordinary Members serve for three years and Section Chairs serve for at least one year.

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS YEAR ENDED 31 DECEMBER 2022

TRUSTEES' REPORT

Council is supported by an Executive Board 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
- A representative each from gas networks, the YPN and Company Members **
- Co-options (up to two)**
- Chief Executive Officer

* Trustee member of Council

** Trustee or non-Trustee of Council

IGEM comprises the following entities:

Institution of Gas Engineers and Managers

Scholarships, Medals, Prizes and Lectureship Fund

History Fund

Institution of Gas Engineers (Scottish Section) Benevolent and Education

IGEM House Ltd

Charity No. 214011

Charity No. 214011-11

Charity No. 287678

Charity No. SC006601

Company No. 03093169

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

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

IGEM operates a number of Boards, Committees, Sub-Committees and Panels through which it undertakes its educational, technical and administrative functions. IGEM benefits from the input of many volunteers, who govern the Institution, run the Sections, contribute to committees, panels, mentoring and interviewing. Over 2022, there were 608 volunteers actively involved in IGEM who collectively provided volunteer services totalling 8,228 hours, equivalent to five 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.

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YEAR ENDED 31 DECEMBER 2022

TRUSTEES' REPORT

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

- 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 of the YPPC 2022 was Emily Mulcair, of Fingleton White, whose presentation was on Modelling Grid Stabilisation using Curtailed Wind & Liquid H₂.

Covid-19

The Covid-19 pandemic resulted in some challenges for the Industry and the Institution; however the secretariat have now moved to hybrid working between the office and home.

Political Donations and Expenditure

No contributions have been made to any political party in this financial year.

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.

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YEAR ENDED 31 DECEMBER 2022

TRUSTEES' REPORT

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

Individual Members	Opening	New	Lapsed or resigned	Movement	Closing
Honorary	5	0	0	1	6
Companion	22	0	1	0	21
Fellow	227	0	9	2	220
Chartered Member	1,096	19	55	4	1,064
Incorporated Member	377	5	34	6	354
Engineering Technician Member	693	86	62	-3	714
Member Manager	120	8	14	3	117
Associate Member	6	0	0	-2	4
Graduate	97	21	18	0	100
Associate	474	134	94	-8	506
Gas Technician	106	14	18	-1	101
Licensed Gas Technician	25	0	1	-2	22
Students	110	9	2	0	117
Total	3,358	296	308	0	3,346

Affiliate Members	Opening	New	Lapsed or resigned	Movement	Closing
Small (1-5 employees)	97	20	12	0	105
Small - Medium (6-15 employees)	69	9	1	0	77
Medium (16-99 employees)	96	7	4	-1	98
Medium - Large (100-499 employees)	67	5	1	0	71
Large (500+ employees)	25	0	1	0	24
Housing Partner	8	7	0	0	15
Total	362	48	19	-1	390

Highlights for 2022 include the Institution's Engineering Council licence for professional registration and recognition of learning programmes being approved for a further five years.

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.

A program of awarding grants and scholarships progressed, with a high quality of applications resulting in three undergraduate scholarships, awarded to support relevant sector studies.

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS YEAR ENDED 31 DECEMBER 2022

TRUSTEES' REPORT

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.

Working with the technical committees, expert panels and working groups, members and volunteers were involved in 118 meetings, resulting in the department producing 273 technical papers and publishing 14 standards throughout the year, these were:

- IGEM/G/5 Gas in multi-occupancy buildings
- IGEM/IG/1 Supplement 2 Domestic training Specification
- IGEM/G/11 Supplement 1 Responding To Domestic CO Alarm Activations
- IGEM/H/1 with Amendments June 2022 Reference standard hydrogen utilisation
- IGEM/G/11 with amendments July 2022 Gas industry unsafe situations procedure
- IGEM/UP/19 Edition 2 Design and application of interlock devices and associated systems used with gas appliance installations in commercial catering establishments
- IGEM/GM/PRS/3 with amendments July 2019 and July 2022 Meter Regulators for gas flow rates not exceeding 6m³ h⁻¹ and inlet pressures not exceeding 75 mbar
- IGEM/GM/6 Edition 3 Non-domestic meter installations. Standard Designs
- IGEM/UP/11 Edition 3 Supplement 1 Guidance on gas installations for the management and staff within educational establishments
- IGEM/TD/3 Supplement 1 Steel and PE Pipelines for Hydrogen/Natural Gas Blends Distribution
- IGEM/UP/9 Application Of Natural Gas And Fuel Oil Systems To Gas Turbines
- IGEM/G/13 Domestic Supply Capacity And Operating Pressure At The Outlet Of The Meter
- IGEM/SR/25 Supplement 1 Hazard Area Classification Of Hydrogen Installations
- IGEM/GL/8 Reporting And Investigation Of Gas Related Incidents

In response to the UK Government's commitment to achieve net-zero carbon emissions by 2050, a range of research and demonstration projects are underway to investigate the feasibility of using hydrogen in place of natural gas within the national transmission and distribution system. In particular for these projects to achieve their full scope of work, it is recognised that engineering standards will have a critical role. The Hydrogen Committee, chaired by Keith Owen of Northern Gas Networks (NGN), provided the governance and leadership in the production and the development of 7 new hydrogen standards. This included a mechanism for performing hazardous area classification for hydrogen installations. The IGEM/SR/25 Standard is used to undertake such assessments for natural gas installations and a supplement has been produced to cover the requirements for hydrogen or hydrogen/natural gas blends. Work is currently being finalised with DNV on the production of a new Hazardous Area calculator which will cover hydrogen and blends and is expected in early 2023 for members and the industry. During the year work was also completed on the IGEM/TD/3 supplement for distributions systems using hydrogen blends for new and repurposed networks.

Towards the end of 2021, an agreement was made with BEIS for the funding of hydrogen end user standards and the implementation of a competence framework, working in a consortium with Energy and Utility Skills. The IGEM working group, chaired by Dr Richard Marrow, was set up to deliver the standards to support the training for engineers working on the Community trials. Members include Global Energy Associates, Blue Flame, Energy Assets, Simmons Consulting, DNV and Kiwa.

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS YEAR ENDED 31 DECEMBER 2022

TRUSTEES' REPORT

The working group oversaw the update to the IGEM/H/1 reference standard for hydrogen utilisation and work began on two new standards for this project;

- IGEM/H/2: Enabling standard (domestic).
- IGEM/H/3: Enabling standard (commercial).

Both standards are currently on the second working draft and on target for production in Q4 of 2023 once the industry research has been completed in the key gap areas

Building on the successful launch of the Hydrogen Knowledge Centre in 2021, the digital repository, dedicated to the advancement of hydrogen learning globally and supporting the transition to a net zero carbon emissions future, continues to go from strength to strength. At its core, the Hydrogen Knowledge Centre enables learning to be shared with others, through a carefully curated, comprehensive and growing database of information from the widest possible range of sources.

The repository, managed by a dedicated team at IGEM, has grown to include over 3,800 resources, from 320 credible sources, across 70 countries. By the end of 2022 the platform had been accessed on average 3,355 times per month with around 240 downloads per month.

IGEM was delighted that this valuable resource was recognised by the three institutions for awards in 2022. The EIC nomination for an Energy Innovation Award, the Heating & Ventilation News Awards for Collaboration of the Year and the prestigious Memcom Excellence Awards where the site received a highly commended award for the best E-learning / Online Education Initiative.

The training, events and conferences programme moved to a post-COVID set-up with a mix of in-person, digital and hybrid activities through the year. The Sir Denis Rooke Memorial Lecture was delivered by The Rt Hon Lord Deben, Chairman of the Climate Change Committee and the UK's longest ever serving Secretary of State for the Environment (1993-97). He spoke about the UK's net zero challenge, including the potential role of hydrogen, and argued for a balanced approach to the future energy system.

Gas Utilisation – Today and Tomorrow was held at the National Conference Centre in March, focused on key areas in the transition to hydrogen and was aimed at those working in downstream operations to raise awareness of what they need to do to prepare for the future.

The Policy Conference in July featured keynote speakers from BEIS and the Climate Change Committee, and looked at the next steps for hydrogen and the evidence gathering to support decision-making on the role of hydrogen in our net zero energy system.

IGEM's Annual Conference brought the latest insights from the front line of the energy transition. With sessions dedicated to the Gas Industry Today; the Iron Mains Risk Reduction Programme; the Safety of the Network and Delivering Hydrogen, this flagship event attracted an audience of over 200 delegates.

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.

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YEAR ENDED 31 DECEMBER 2022

TRUSTEES' REPORT

During the year the IGEM portfolio values have decreased by a total of £524,352 (2021: increased by £472,235) being 12.3% of the opening value. This represents a significant decrease from last year. In addition, dividends earned are £90,631 (2021: £84,714).

2022 Financial Review Funds Summary	2022	2021
General Reserve	900,000	900,000
Development Fund	1,412,650	1,775,653
Property Maintenance Reserve	150,000	150,000
S&M	569,816	719,691
Gas Innovation Fund	536,109	632,091
Hydrogen Standards Innovation Fund	50,209	258,612
GIUSP	7,000	14,500
Sections	166,537	171,844
History	7,154	7,237
Property & Assets	1,216,619	1,244,347
	<u>5,016,094</u>	<u>5,873,975</u>

Reserves

The Institution's reserves are held to meet liabilities, working capital, operations, research, education and future developments to benefit members, customers and support the gas industry in a viable and 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 the Council had 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. The Council had also agreed that £100,000 be allocated from the Development Reserve to a new hydrogen social community network (titled Sph2ere) with the YPN Committee. Both projects were started in 2021 with continuation in 2022; DEEP project completed in 2022; with Sph2ere planned to complete in 2023. 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 £5,016,094. This is constituted of general, designated and restricted funds as detailed below.

Restricted	1,190,653
Designated	1,708,822
Fixed Assets	1,216,619
Free Reserves	<u>900,000</u>
	<u>5,016,094</u>

The expected timeframe 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.

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.

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS

YEAR ENDED 31 DECEMBER 2022

TRUSTEES' REPORT

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. The risk register has undergone a full review and has been simplified into a new format that has dashboard views for headline risks.

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 2023, 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 on 11 May 2023... and signed on its behalf.



David Parkin
President

**THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
YEAR ENDED 31 DECEMBER 2022**

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 2022 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 2022 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:

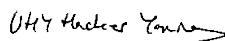
- review of the financial statement disclosures to underlying supporting documentation;
- testing of sales invoices to ensure revenue is recognised correctly within the financial statements;
- review of correspondence with and reports to the regulators, including correspondence on the Charity Commission;
- Enquiries of management 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: 15 May 2023

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

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2022 £	TOTAL 2021 £
Incoming Resources						
Grant Income	6	-	-	-	-	(52,382)
Charitable Activities	2	2,215,508	77,114	6,591	2,299,213	2,006,194
Trading Activities		57,651	-	-	57,651	27,968
Investment Income	3	58,490	872	31,551	90,913	84,770
Total Incoming Resources		2,331,649	77,986	38,142	2,447,777	2,066,550
Resources Expended						
Raising Funds:						
Investment Mgr Fees		5,098	-	2,751	7,849	7,966
Trading Expenditure		18,845	-	-	18,845	3,022
		23,943	-	2,751	26,694	10,988
Charitable Activities	4	2,143,019	298,064	313,529	2,754,612	2,254,882
Total Resources Expended		2,166,962	298,064	316,280	2,781,306	2,265,870
Net (loss)/surplus pre fair value adjustments		164,687	(220,078)	(278,138)	(333,530)	(199,320)
Net (losses) / gains on Investments	8	(340,742)	-	(183,610)	(524,352)	472,235
Net (Expenditure)/ Income		(176,055)	(220,078)	(461,748)	(857,881)	272,915
Transfer between Funds	22	148,327	(148,327)	-	-	-
Net Movement in Funds		(27,728)	(368,405)	(461,748)	(857,881)	272,915
Total Funds Brought Forward	17	2,144,347	2,077,227	1,652,401	5,873,975	5,601,060
Total Funds Carried Forward	17	2,116,619	1,708,822	1,190,653	5,016,094	5,873,975

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 23 to 39 form part of these accounts

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

		2022 £	2021 £
Fixed Assets			
Tangible	9	1,216,619	1,244,347
Investments	10	3,752,180	4,269,320
		<u>4,968,799</u>	<u>5,513,667</u>
Current Assets			
Debtors	11	331,388	268,286
Short Term Investments	13	56,863	756,642
Cash at bank and in Hand	12	419,547	213,494
		<u>807,798</u>	<u>1,238,422</u>
Creditors: amounts falling due within one year	14	<u>(760,503)</u>	<u>(878,114)</u>
Net Current Assets		47,295	360,308
Net Assets		<u>5,016,094</u>	<u>5,873,975</u>
FUNDS			
Unrestricted	17	2,116,619	2,144,347
Restricted	17	1,190,653	1,652,401
Designated	17	1,708,822	2,077,227
		<u>5,016,094</u>	<u>5,873,975</u>

The financial statements were approved and authorised for issue by the Council and were signed on its behalf on11 May 2023.....



David Parkin
President

The notes on pages 23 to 39 form part of these accounts

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2022

		2022 £	2021 £
Fixed Assets			
Tangible	9	1,216,619	1,244,347
Investments	10	<u>3,753,180</u>	<u>4,269,523</u>
		4,969,799	5,513,870
Current Assets			
Debtors	11	348,458	270,839
Short Term Investments	13	56,863	756,642
Cash at bank and in Hand	12	<u>373,299</u>	<u>168,112</u>
		788,620	1,195,593
Creditors: amounts falling due within one year	14	<u>(773,063)</u>	<u>(875,847)</u>
Net Current Assets		5,557	319,746
Net Assets		<u>4,975,356</u>	<u>5,833,616</u>
FUNDS			
Unrestricted		2,100,406	2,144,347
Restricted		1,163,135	1,624,894
Designated		<u>1,711,815</u>	<u>2,064,375</u>
		<u>4,975,356</u>	<u>5,833,616</u>

The financial statements were approved and authorised for issue by the Council and were signed on its behalf on ~~11 May 2023~~.



David Parkin
President

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Net cash (outflow) / inflow from operating activities	20	<u>(575,927)</u>	<u>155,491</u>
Cash flows from Investing Activities:			
Dividends received & Interest		90,913	84,770
Purchase of property, plant and equipment		(1,501)	(32,787)
Purchase of Investment		(13,671)	(12,343)
Proceeds from sale of investments		6,460	6,788
Net cash in / (out) investing activities		<u>82,201</u>	<u>46,428</u>
 (Decrease)/ increase in cash and cash equivalents in the reporting period		 (493,726)	 201,919
 Cash and cash equivalent at the beginning of the reporting period		 <u>970,136</u>	 <u>768,217</u>
Cash and cash equivalent at the end of the reporting period		<u>476,410</u>	<u>970,136</u>
 Relating to:			
Cash at Bank and in hand		419,547	213,494
Short Term Investments		56,863	756,642
		<u>476,410</u>	<u>970,136</u>

The notes on pages 23 to 39 form part of these accounts

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

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 2022

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) Tangible Fixed Assets and 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 2022

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 2022

2 CHARITABLE ACTIVITIES

Activities in the furtherance of the charity's objectives.

	Unrestricted	Designated	Restricted	Total 2022	Total 2021
	£	£	£	£	£
Membership	841,295	-	-	841,295	768,539
Technical	931,054	-	4,139	935,193	952,695
Conferences & Events	328,688	-	50	328,738	161,706
Journal	114,471	-	-	114,471	82,927
Section Income, Excl					
Scottish Section	-	74,689	-	74,689	35,517
Scottish Section Income	-	2,425	-	2,425	2,684
History Fund	-	-	2,402	2,402	2,126
	2,215,508	77,114	6,591	2,299,213	2,006,194

In 2021, of total income from charitable activities, £1,784,040 was to unrestricted funds, £38,201 was to designated funds and £183,953 was to restricted funds.

3 INVESTMENTS

Investment Income	Unrestricted	Designated	Restricted	Total 2022	Total 2021
	£	£	£	£	£
Bank Interest	172	15	95	282	56
Dividends Received	58,318	857	31,456	90,631	84,714
	58,490	872	31,551	90,913	84,770

In 2021, of total income from investments, £53,839 was to unrestricted funds, £2,206 was to designated funds and £28,725 was to restricted funds.

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

4 CHARITABLE EXPENDITURE

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

	Staff Costs £	Other Costs £	Support and Governance Costs £	Total 2022 £	Total 2021 £
General Funds:					
Membership	235,651	63,929	143,323	442,903	371,772
Technical	276,911	248,853	159,320	685,083	536,881
Conferences, Events, Marketing & Media	229,312	229,972	56,004	515,288	413,518
Journal	45,217	172,748	19,501	237,467	214,412
Facilities	26,712	47,309	12,724	86,745	7,110
Establishment	144,071	31,462	-	175,533	192,088
	957,874	794,273	390,872	2,143,019	1,735,781
Designated Funds:					
Section Expenditure	-	83,388	-	83,388	29,892
Development	-	214,676	-	214,676	105,427
	-	298,064	-	298,064	135,319
Restricted Funds:					
Scholarships & Medals	-	69,549	-	69,549	38,771
Gas Innovation	-	17,547	-	17,547	24,667
Hydrogen Standards Innovation	-	216,448	-	216,448	310,600
GIUSP	-	7,500	-	7,500	7,500
History	-	2,485	-	2,485	2,244
	-	313,529	-	313,529	383,782
	957,874	1,405,866	390,872	2,754,612	2,254,882

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

5 SUPPORT AND GOVERNANCE COSTS

	Staff Costs £	Other Costs £	Total 2022 £	Total 2021 £
<u>General & Support Costs:</u>				
Central Support	210,308	-	210,308	166,958
Legal and Professional Fees	-	935	935	5,707
Council Meetings & Staff Expenses	-	2,963	2,963	13,417
Bank & Credit Charges	-	24,789	24,789	15,033
Recruitment	-	-	-	12,789
Sundry	-	548	548	462
Staff Training	-	-	-	23,712
Postage & Telephone	-	27,130	27,130	24,221
Printing & Stationery	-	2,425	2,425	4,501
Computer Expenses	-	57,544	57,544	64,746
Subscriptions and Other Costs	-	7,854	7,854	6,342
Bad and Doubtful Debts	-	20,000	20,000	-
Irrecoverable VAT	-	20,618	20,618	10,729
<u>Governance Costs:</u>				
Audit & Accountancy Fees	-	13,500	13,500	10,088
Council and Trustee Expenses	-	2,258	2,258	481
	210,308	180,564	390,872	359,186

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:

	2022 £	2021 £
Depreciation of Tangible Fixed Assets	29,228	29,198
Operating Lease Rentals	3,628	4,677
Government grants repaid/(received)	-	52,382
 Audit and Accountancy Charges:		
Statutory Audit	12,000	10,300

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

7 STAFF COSTS

The average monthly number of employees during the year was:

	2022	2021
	No.	No.
Office and Management	23	25

	2022	2021
	£	£
Staff Costs:		
Direct Salaries	960,860	806,454
National Insurance Contributions	93,599	76,073
Pension Contributions	113,723	99,066
	1,168,182	981,593

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

	2022	2021
	No.	No.
£60,000 to £70,000	1	1
£70,000 to £80,000	1	-
£90,000 to £100,000	-	1
£110,000 to £120,000	1	-

Pension contributions relating to those staff earning over £60,000 totalled £51,756 (2021: £48,662).

The Trustees and members of the Council received no remuneration during the year but travel expenses of £2,529 were paid to 7 council members (2021: £481 to 3 council 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 five (2021: eight) key management personnel were £439,602 (2021: £411,069).

8 NET GAINS ON INVESTMENT ASSETS

	Unrestricted Funds	Restricted Funds	Designated Funds	Total 2022	Total 2021
	£	£	£	£	£
Gains on disposals	676	193	-	869	1,144
Net unrealised (loss) /gains on revaluation to market value	<u>(341,418)</u>	<u>(183,803)</u>	<u>-</u>	<u>(525,221)</u>	<u>471,091</u>
	(340,742)	(183,610)	-	(524,352)	472,235

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

9 TANGIBLE FIXED ASSETS

Group and Institution

Tangible Fixed Assets	Land & Buildings £	Office Equipment £	Total £
Cost			
At 1 January 2022	1,536,166	261,988	1,798,154
Additions	1,501		1,501
Transfer	-		
At 31 December 2022	<u>1,537,667</u>	<u>261,988</u>	<u>1,799,655</u>
Depreciation			
At 1 January 2022	314,602	239,205	553,807
Charge for the Year	24,755	4,474	29,229
At 31 December 2022	<u>339,357</u>	<u>243,679</u>	<u>583,036</u>
Net Book Amount			
At 31 December 2022	<u>1,198,310</u>	<u>18,309</u>	<u>1,216,619</u>
At 31 December 2021	<u>1,221,564</u>	<u>22,783</u>	<u>1,244,347</u>

Land and Buildings include land valued at £300,000 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 £258,689 (2021: £259,349). While the collection of library books has an insurance value of £56,275 (2021: £53,045).

THE INSTITUTION OF GAS ENGINEERS AND MANAGERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

10 INVESTMENTS

Group
Quoted Investments

	Unrestricted & Designated £	Restricted £	Total 2022 £	Total 2021 £
Market Value at 1 January 2022	2,781,824	1,487,496	4,269,320	3,791,530
Additions	-	13,671	13,671	12,343
Disposals	(4,354)	(1,236)	(5,590)	(5,644)
Revaluation to market value	(341,418)	(183,803)	(525,221)	471,091
Market Value at 31 December 2022	2,436,052	1,316,128	3,752,180	4,269,320
Historical Cost at 31 December 2022	2,185,208	1,183,410	3,368,618	3,360,537
The Investments are split as follows				
Rathbones Core Investment Fund for Charities	2,420,989	1,316,128	3,737,117	4,253,740
M&G Investments	15,063	-	15,063	15,580
	2,436,052	1,316,128	3,752,180	4,269,320

Institution

	Unrestricted & Designated £	Restricted £	Total 2022 £	Total 2021 £
Quoted Investments	2,436,052	1,316,128	3,752,180	4,269,320
IGEM House Ltd	1,000	-	1,000	1,000
	2,437,052	1,316,128	3,753,180	4,270,320

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).

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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	
	2022	2021	2022	2021
	£	£	£	£
Due within one year				
Trade Debtors	290,962	206,021	282,946	203,666
Amounts due from Group				
Undertakings	-	-	25,086	4,908
Other Tax & Social Security	4,559	-	4,559	-
Other Debtors	-	-	-	-
Prepayments & Accrued Income	35,867	62,265	35,867	62,265
	<u>331,388</u>	<u>268,286</u>	<u>348,458</u>	<u>270,839</u>

12 CASH AT BANK AND IN HAND

Cash at Bank and in Hand	Group		Institution	
	2022	2021	2022	2021
	£	£	£	£
Unrestricted	336,811	143,386	331,422	138,942
Designated	54,332	42,021	41,877	29,170
Restricted	28,404	28,087	-	-
	<u>419,547</u>	<u>213,494</u>	<u>373,299</u>	<u>168,112</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	Total
	£	£	2022	2021
	£	£	£	£
Income and Capital Account	457	406	863	642
Money Market Account	56,000	-	56,000	756,000
	<u>56,457</u>	<u>406</u>	<u>56,863</u>	<u>756,642</u>

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14 CREDITORS

Creditors	Group		Institution	
	2022	2021	2022	2021
	£	£	£	£
Due within one year				
Trade Creditors	79,751	138,581	91,751	138,484
Other Tax and Social Security	42,423	49,804	38,575	49,012
Other Creditors	11,745	171,464	11,745	171,465
Accruals and Deferred income	626,584	518,265	630,992	516,886
	<u>760,503</u>	<u>878,114</u>	<u>773,063</u>	<u>875,847</u>

15 DEFERRED INCOME

Group and Institution

	£	
Movements in Deferred Income:		
Balance at 1 January 2022	407,911	
Released during the year	(400,317)	
Deferred during the year	488,495	
Balance at 31 December 2022	<u>496,089</u>	
	2022	2021
	£	£
Deferred Income is made up of:		
Membership Income received in advance	304,706	312,694
Event Income received in advance	28,995	7,975
Technical Income received in advance	143,153	57,710
Hydrogen Knowledge Centre received in advance	12,750	12,750
History Fund Income received in advance	268	572
Journal Income received in advance	6,217	16,210
	<u>496,089</u>	<u>407,911</u>

Membership income received in advance relates to subscriptions received in the current year that relate to the year to December 2023. Other income received in advance relates to journal advertising income and History Fund income received in the current year that relate to the year to December 2023.

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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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17 MOVEMENT OF FUNDS

	Balance at 1st Jan 2022	Income	Expenditure	Investment Movement	Transfers	Balance at 31st Dec 2022
Unrestricted Funds						
Group and Institution						
General Reserve	900,000	2,331,649	(2,139,234)	(340,742)	148,327	900,000
Property and Assets	1,244,347	-	(27,728)	-	-	1,216,619
	2,144,347	2,331,649	(2,166,962)	(340,742)	148,327	2,116,619
Restricted Funds						
Institution						
Scholarships & Medals Fund	719,691	17,965	(70,997)	(96,843)	-	569,816
Gas Innovation Fund	632,091	14,882	(18,850)	(86,767)	(5,247)	536,109
Hydrogen Standards Innovation Fund	258,612	2,798	(216,448)	-	5,247	50,209
GIUSP	14,500	-	(7,500)	-	-	7,000
Group (including above)						
History Fund	7,237	2,402	(2,485)	-	-	7,154
Scottish Section	20,270	95	-	-	-	20,365
	1,652,401	38,142	(316,280)	(183,610)	-	1,190,653
Designated Funds						
Institution						
Development	1,775,653	-	(214,676)	-	(148,327)	1,412,650
Property Maintenance Reserve	150,000	-	-	-	-	150,000
Sections:						
Northeast & Yorkshire	9,593	15,551	(13,724)	-	-	11,420
Welsh	19,788	9,161	(10,213)	-	-	18,736
Midlands	25,031	3,700	(1,741)	-	-	26,990
North West	15,605	12,195	(15,734)	-	-	12,066
Far East	28,332	23,866	(10,321)	-	-	41,877
London, Southern & Eastern	8,477	3,909	(6,727)	-	-	5,659
South West	5,543	7,179	(7,479)	-	-	5,243
Irish	4,170	-	-	-	-	4,170
Industrial Affiliates	7,153	-	(395)	-	-	6,758
Young Persons Network	15,033	-	(14,200)	-	-	833
Group (including above)						
Scottish	12,849	2,425	(2,854)	-	-	12,420
	2,077,227	77,986	(298,064)	-	(148,327)	1,708,822
	5,873,975	2,447,777	(2,781,306)	(524,352)	-	5,016,094

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17 MOVEMENT OF FUNDS (continued)
PRIOR YEAR COMPARATIVE

	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

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

	Unrestricted/ Designated Funds £	Restricted Funds £	Total 2022 £
Fund Balances at 31 December 2022 are represented by:			
Tangible Fixed Assets	1,216,619		1,216,619
Investments	2,436,052	1,316,128	3,752,180
Cash	447,599	28,811	476,410
Net Current liabilities	(274,829)	(154,286)	(429,115)
	3,825,441	1,190,653	5,016,094

	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)
Total net assets	4,221,574	1,652,401	5,873,975

19 COMMITMENTS UNDER OPERATING LEASES

As at 31 December 2022 the Group and Institution had commitments under operating leases as follows:

	Other 2022 £	2021 £
Group and Institution		
Within one year	2,070	4,143
Between two and five years	1,552	5,518
	3,622	9,661

One operating lease totalling £3,987 (within one year: £2,080, between two and five years: £1,907) of the 2021 disclosure was discontinued in the year.

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

	2022	2021
	£	£
Net (expenditure) / income for the reporting period	(857,881)	272,915
Adjustments for:		
Depreciation charges	29,228	29,198
Gain on disposal of Investments	(869)	(1,144)
Fair value movement on investments	525,221	(471,091)
Dividends, interest and rents from investments	(90,914)	(84,770)
(Increase) / decrease in debtors	(53,338)	355,766
(Decrease) / increase in creditors	(127,374)	54,617
Cash (used) / generated from Operations	(575,927)	155,491

21 ANALYSIS OF NET DEBT

	1 January 2022 £	Cash flows £	31 December 2022 £
Short term investments	756,642	(699,779)	56,863
Cash	213,494	206,053	419,547
Total net debt	970,136	(493,726)	476,410

22 TRANSFER BETWEEN FUNDS

A transfer of £148,327 was made from the Development Fund (Designated) to the General Reserve (Unrestricted) in consideration of the reserves policy to maintain the general reserve at around six months expenditure.

A transfer of £5,247 was made from the Gas Innovation Fund (Restricted) to the Hydrogen Standard Innovation Fund (Restricted) as an adjustment to reflect the allocation of prior year transactions.

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 (100% owned) – 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.

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25 FINANCIAL INSTRUMENTS

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

	2022 £	2021 £
Financial assets		
Financial assets measured at amortised cost	766,966	1,181,057
Financial liabilities		
Financial liabilities measured at amortised cost	718,080	833,210

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.