

Approved 23/3/24

Registered number

1240103

Charity number

275206

Institute of Corrosion  
(A company limited by guarantee)

## Report and Financial Statements

30 June 2023

**Institute of Corrosion**  
**Report and accounts**  
**Contents**

|  | <b>Page</b> |
|--|-------------|
| Company information  | 1           |
| Trustees' report   | 2           |
| Independent Examiner's report  | 8           |
| Statement of Financial Activities (including Income and Expenditure Account) | 9           |
| Balance sheet  | 10          |
| Notes to the accounts  | 11          |

**Institute of Corrosion****Company Information**

The Trustees, who also act as Directors for the purpose of the Companies Act 2006, present their Report and Unaudited Accounts for the year ended 30 June 2023, prepared in accordance with the Statement of Recommended Practice SORP 2019 Accounting for Charities (FRS 102).

**Trustees/Directors**

|                          |          |
|--------------------------|----------|
| President                | S Tate   |
| Vice President           | Y Gao    |
| Honorary Secretary       | J Lomas  |
| Immediate Past President | B Hedges |

**Non voting member**

|           |                      |
|-----------|----------------------|
| Treasurer | I G Winning (George) |
|-----------|----------------------|

**Members of Council (Ex-Officio)**

|                   |              |
|-------------------|--------------|
| Chair PDTC        | D Horrocks   |
| Chair PAC         | P Lambert    |
| Chair TAC         | L Fullalove  |
| Chair CED         | N Smart      |
| Chair CSD         | D Burkle     |
| Chair Young ICorr | J McGladdery |

|                         |                      |
|-------------------------|----------------------|
| Technical Editor CM     | S Khan               |
| Chair Aberdeen Branch   | M Ejaz               |
| Chair London Branch     | I G Winning (George) |
| Chair Midlands Branch   | B Whittaker          |
| Chair North West Branch | G Brown              |
| Chair North East Branch | M Fletcher           |
| Chair Yorkshire Branch  | R Green              |

**Ordinary Members of Council (Elected and co-opted)**

J Fletcher  
D Harvey  
K Harold  
B Peters  
R Edwards  
B Wyatt  
D Harrop  
I G Winning (George)

**Accountants**

Hickeson Boyce  
68a High Street  
Stony Stratford  
Milton Keynes  
MK11 1AQ

**Bankers**

National Westminster Bank  
27 High Street  
Leighton Buzzard  
Bedfordshire  
LU7 1DX

**Registered office**

Corrosion House  
5 St Peters Gardens  
Marefair  
Northampton  
NN1 1SX

**Company registration number**

1240103

**Charity registration number**

275206

## **Institute of Corrosion**

**Registered number: 1240103**

**Trustees' report for the year 1st July 2022 to 30th June 2023**

### **Structure, Governance and Management**

#### ***Governing Documents***

The Institute of Corrosion ("the Institute") is a charitable company, limited by guarantee, incorporated on 12 January 1976 as the Institution of Corrosion Science and Technology and registered as a charity on 15 March 1978. The company was established under a Memorandum of Association, most recently amended at the AGM on 19th November 2020, which delineates the objects and powers of the charitable company, and is governed under its Articles of Association, most recently amended at the AGM on 19th November 2020.

In the event of the company being wound up, each Member undertakes to contribute to the assets of the company an amount not exceeding £5 to meet the debts and liabilities of the company.

#### ***Organisational Structure***

The President, who acts as the Chief Executive of the Institute, reports to the Trustees, who form the Management Committee. In turn, the Trustees report to Council, who are the ultimate governing body of the Institute and who meet at intervals not exceeding 7 months. Membership of Council comprises the Trustees and nominated representatives from the standing committees, branches and divisions of the Institute and up to 12 elected individual members of the Institute.

#### ***Recruitment and Appointment of Trustees***

The Directors of the Institute are also Trustees for the purposes of charity law and, under the Articles of Association, act as the Executive Management Committee. The President is elected for a 2-year term at the Annual General Meeting (AGM); normally the Vice-President shall be a candidate for election as President while the retiring President is the candidate for Immediate Past-President, unless other arrangements are necessary. Other Trustees are elected annually at the AGM and existing (non-Presidential) Trustees may stand for re-election.

Trustees, as members of the Management Committee, are required to have a broad skills base and suitable persons are drawn from industry, private consultancy and academia. Trustee vacancies are generally filled by approaching individuals who are thought to offer particular skills and/or who are able to maintain the balance of skills available to the Management Committee. Vacancies for all positions are also sought generally from the membership through a notice in the Institute's publication "Corrosion Management" and on the website of the Institute at the same time that the notice for the AGM is promulgated.

#### ***Trustee Induction and Training***

Most Trustees will already be familiar with the operation of the Institute from prior service in a local or regional branch, division or committee. However, after their appointment new Trustees are given a brief familiarisation session by the President that is intended to cover:

- Obligations on Trustees in Law and as members of the Management Committee
- Memorandum and Articles of Association of the Institute
- The current financial position as set out in the latest published accounts; and
- Future plans and objectives of the Institute

**Institute of Corrosion****Registered number: 1240103****Trustees' report for the year 1st July 2022 to 30th June 2023*****Risk Management***

The Trustees have conducted a review of the major risks to which the Institute is exposed. A risk register has been established and is updated at least annually and, where appropriate, systems or procedures have been established to mitigate such risks and provision made in long term plans. External risks to funding have led to the development of a strategic plan which allows for the diversification of income generation by trading activities through the Institute's subsidiary Correx Ltd. Internal control risks are minimised by the implementation of procedures for authorisation of all major transactions and projects by referral to Council. Approval for payment of all incoming supplier invoices and officer expenses is via the President, up to a value of £5k including VAT and above that amount via both the President and Treasurer.

***Finances***

The year saw an increase in income to £411k (vs £354k in previous year). This was offset due to rising running costs as well as investment in new training programmes but which saw expenses increase slightly overall to £359k (vs £346k) resulting in a surplus of £52k (vs £8k). Our managed investment portfolio increased by £2k (vs a loss of £7k in previous year) so the net surplus is £54k (vs £2k). These figures include a payment from Correx to cover its share of operating costs and that is now set-up for monthly instalments. In the next financial year, we have made provision for additional student support in the form of student bursaries (up to £25k per year via the University of Manchester and up to £5k per year in support internships at various UK universities, as selected by our YICorr committee). The Trustees are encouraged by the fact that the impact of the pandemic and the global economic downturn on the finances of the Institute appears to have been quite limited and that recovery is now strong particularly on the training front. The Trustees have monthly virtual meetings to review the situation on an on-going basis.

***Related Parties***

The Institute manages coordination of UK activities in corrosion through the UK Corrosion Network, a group comprising members of the Institute of Corrosion and the Institute of Materials, Minerals and Mining (IoM<sup>3</sup>). Its regional branches also work in the UK with AFBE, BINDT, EI, IMechE, SPE and TWI. The Institute is also a member of the European Federation of Corrosion (EFC) and the World Corrosion Organisation (WCO) and participates actively within these umbrella organisations. The Institute is an associate member of the Engineering Council (EC) and founder member of the Licensed Charter Awarding Body of the Science Council. The Institute has strong relationships with other professional societies throughout the world. During 2024, the Institute aims to become an EC Licensee holder and to offer CEng status directly (currently this via SOE – Society of Operations Engineers).

**Aims and Objectives**

The Institute, as a Learned Society, has been serving the corrosion science, technology and engineering management and economic needs of individuals, academia and industry in various guises since 1959. Corrosion and materials degradation, which costs the UK around 3-4% of GDP per annum, is recognised nationally and internationally as a major economic and environmental cost that is unsustainable at its current level. The Institute was formed with the objective of serving the needs of stakeholders connected with corrosion engineering, science and technology. The principal aim of the Institute, in support of this objective, is to advance the understanding of the science, technology and engineering practice of corrosion control, and to facilitate the exchange of information and ideas for the public benefit (via formal training and education).

## **Institute of Corrosion**

**Registered number: 1240103**

**Trustees' report for the year 1st July 2022 to 30th June 2023**

### **Achievements and Performance**

The 2022/2023 financial year has been full of activity and great progress in our expanded training operations.

As we emerged formally from Covid-19 restrictions in March 2023, we began to see more in-person meetings as well as joint in person and online events. Branch meetings were held both in-person and virtually and were well attended. In April 2023 the annual Corrosion Engineering Division (CED) working day was held as an in person only meeting with 35 attendees for the full day. Our Newcastle Sustainability Conference held jointly in June with the North of England Institute of Mining and Mechanical Engineers (NEIMME) attracted over 60 in-person attendees.

Virtual options provide a way for members who are not able to attend in person to connect with us – which is very important, especially for our overseas membership. Another benefit of virtual meetings is the reduced impact on the environment as it reduces our carbon footprint as we travel less.

During June, we were successfully audited for our CEng scheme via SOE and also discussed with the Engineering Council about our intention to proceed with CEng Direct in 2024.

In September we held the Corrosion Science Symposium annual event of the Corrosion Science Division of the Institute which was well attended. It was held jointly with the Royal Society of Chemistry's Electrochem conference at the University of Bristol.

The Institute sponsors a number of prestigious international awards, which are made on an annual basis to recognise excellence in corrosion science and engineering. For our 2022/2023 awards we had many deserving candidates for the awards committee to choose from and the final winners were:

UR Evans award: Professor Nick Birbilis, (Deakin University, Australia).

Paul McIntyre award: Dr Roger Francis:

H. G. Cole Award: Trevor Osborne

Lionel Shreir award: James Rafferty (University of Manchester)

Our social media presence now has well over 15,000 followers on its branch and national LinkedIn sites. We have partnered with a professional writer for our social media articles (blogs) to ensure we maximise the opportunity to engage and educate our followers effectively. The Institute also now operates Instagram and Twitter (X) accounts.

As a result of feedback from many of our members we have begun a multi-year project to update our website based course booking system, certifications systems and members database.

The Registration Agreement with the Society of Operations Engineers (SOE) enables our professional members to apply via SOE for registration as CEng, IEng or EngTech. The agreement has been working well historically but was always seen as an interim measure and is now considered to have run its course. The Institute now intends to move towards being a direct EC Licensee holder to enhance membership retention. We shall continue to regularly encourage professional members with lesser qualifications to apply for registration as Engineering Technicians and Incorporated Engineers.

In January 2022 our biennial YEP - Young Engineer Programme was launched and for the first time it was based successfully in Aberdeen and run by the Aberdeen Branch of the Institute. The 2022 winning group attended the Association for Materials Protection and Performance (AMPP) conference in Denver with the national President in March 2023. Our Young ICorr committee have been tasked with organising our future YEP programmes.

## **Institute of Corrosion**

**Registered number: 1240103**

**Trustees' report for the year 1st July 2022 to 30th June 2023**

### ***Membership and Membership Services***

Professional Membership applications are handled by the Professional Assessment Committee (PAC) of the Institute. We encourage existing individual members to consider upgrading from Individual Membership to the Professional grades of Technician, Member and Fellow and from the Professional grades to Chartered Engineer and Chartered Scientist. Total membership as of June 2023 remained at around 1500 members. This number includes our free student membership of 181 (vs 216), a slight decrease from the previous year.

Included in the above numbers were 246 (vs 264) members from sustaining companies, also a small decrease considered to be related to the current economic climate.

There were also 24 sustaining companies at gold level (including three staff as Institute affiliates) and also 87 sustaining companies (including two staff as Institute affiliates) at ordinary level at the end of the financial year 2022/2023 along with 15 local branch sponsors for Aberdeen (including two staff nominees eligible to attend corrosion awareness training and its technical meetings), so overall very encouraging in terms of national support.

The corporate membership category was launched in early 2021 and we now have four companies as corporate members contributing 25 members to the above total. Two more companies have agreed to sign up in the latter half of 2023.

### ***Training Courses***

Our training courses have again been a highlight of the year. The Institute's two main training providers, IMechE AR and Corrodere/MPI, offer the Institute's courses around the world. Income from training continues to grow, particularly from distance learning courses. Improvements and additions to the Institute's portfolio of training courses are on-going, with continued investment that is expected to generate returns over the coming years. There has been a move away from the use of volunteers in this area, with a more professional approach to the development, review and implementation of new courses. This process is overseen by the by the respective governing boards and the Trustees who review course investments where required.

All of our Cathodic Protection (CP) courses are compliant with ISO-15257 and have been very popular. They are delivered directly by the Institute at the CP training centre at the offices of Freyssinet (a leading civil and structural engineering specialist) in Telford and also now at IMechE Sheffield.

In the world of surface treatment new PFP Cementitious, Insulation and Coating Inspector Level 2 courses have been developed alongside Hot Dip Galvanising Level 2 training. PFP Cementitious Level 3 is also being progressed. Online offerings are increasingly being developed also.

The new Microbially Influenced Corrosion (MIC) course has been approved and implemented as a combination of HQ lead and in company training. New courses for Corrosion Under Insulation (CUI), Refinery Corrosion Control and Boiler Corrosion are under development for 2023/2024 roll-out.

Overseas corrosion training opportunities continue to be explored subject to suitable commercial agreements being put in place.

**Institute of Corrosion****Registered number: 1240103****Trustees' report for the year 1st July 2022 to 30th June 2023*****Correx Ltd***

Correx is an independent company that is wholly owned by the Institute. The primary activity of Correx Ltd is to manage and operate the Industrial Coating Applicator Training Scheme (ICATS). Correx has had another successful year although some training activities and supporting companies have reduced due to the impact of Covid-19. Correx Ltd shares the administration costs of the Institute's office. It should also be noted that this year no Gift Aided donation was made by Correx Ltd to the Institute although arrangements are expected to be put in place for 2023/2024 financial year.

**Future Strategy**

The Institute has a strategic vision to enter into partnerships with fellow Institutes and other stakeholders in the corrosion control industry in order to maximise the impact of our objectives and activities while minimising our costs in achieving them. We are continuing to place great emphasis on training and certification and see the on-going review and upgrade of the existing course offerings, particularly in respect of engineering level courses, as a high priority for the Institute going forward. Another key focus is on the recruitment and retention of a younger and more diverse membership, which is overseen by the Membership Development Committee, with university liaison via Young ICorr. The Cathodic Protection Governing Board (CPGB) has been recently reconfigured to include 5 new younger members and the intention is to do the same with the Surface Treatment Governing Board (STGB) during the year 2023/2024.

***Principal Funding Sources***

The primary source of funds for the Institute is subscription income from Individual, Branch, Corporate, Gold and Ordinary Sustaining Company Members. Additional income arises due to surpluses from branch membership activities, which generally take the form of seminars, conferences and meeting programmes for local members and industry, supported by local company sponsorships. Other significant streams include licence fees (levy's) from training and certification courses operated by the Institute's course providers, such as IMechE AR and Corrodere/MPI. Correx Ltd, which runs the commercial arm of the Institute, has been able to contribute funds for staffing, IT provision and other running costs. There are also occasional joint promotional events with the Institute.

***Investment Policy***

The Institute considers that until the unrestricted funds have grown, for the time being, the majority of funds available for investment should be maintained in short term funding vehicles. The cash reserves were split into separate accounts not exceeding £85k in order to secure full protection via the UK government Financial Services Compensation Scheme. With recent interest rate changes, all of the Institute's bank accounts are currently being reviewed by the Treasurer, so as to receive the best possible interest rates in 2023/2024 financial year.

Following the Council meeting of 3rd February 2021, a proposal to invest up to £100k in a managed, stocks and shares account was accepted unanimously, and a broker engaged (Hambrook Financial Planning). Results of this investment are presented at each Council meeting and fund holdings adjusted as and when necessary. This is a long-term investment (up to 10 years) but we can withdraw all or part of the funds held at any time.



**Institute of Corrosion**

**Registered number: 1240103**

**Trustees' report for the year 1st July 2022 to 30th June 2023**

**Responsibilities of the Trustees**

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Management Committee follow best practice and:

- 1 Select suitable accounting policies and then apply them consistently.
- 2 Make judgements and estimates that are reasonable and prudent; and
- 3 Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the company will continue on that basis.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Members of the Management Committee**

Members of the Management Committee, who are Directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out in the forward above. In accordance with company law, as the charitable company's directors, we certify that:

- 1 So far as we are aware, there is no relevant information of which the company's accountants are unaware; and
- 2 As Directors we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant accounts information and to establish that the charity's accountants are aware of that information.

The Accounts for the year 2022/2023 have been prepared from the accounting records by Hickeson Boyce and are presented here for discussion and approval at the AGM.

This report was approved by the Management Committee immediately prior to the AGM of 1st November 2023 and signed on its behalf by:

Stephen Tate  
President

## **Institute of Corrosion Independent Examiner's Report**

### **Independent Examiner's report to the trustees of Institute of Corrosion**

I report to the charity trustees on my examination of the accounts of the company for the year ended 30 June 2023 which are set out on pages 9 to 17.

### **Responsibilities and basis of report**

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

### **Independent examiner's statement**

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

68a High Street  
Stony Stratford  
Milton Keynes  
MK11 1AQ

N Boyce FCCA  
Hickeson Boyce  
Chartered Certified Accountants

Date: 28/3/2024

**Institute of Corrosion****Statement of Financial Activities (including Income and Expenditure Account)  
for the year ended 30 June 2023**

|                                    | Notes | Unrestricted<br>Funds | Restricted<br>Funds | Total<br>2023    | Total<br>2022    |
|------------------------------------|-------|-----------------------|---------------------|------------------|------------------|
| <b>Income and endowments from:</b> |       |                       |                     |                  |                  |
| Donations and legacies             | 2     | 151,982               | 15,000              | 166,982          | 157,365          |
| Other trading activities           | 3     | 31,926                | -                   | 31,926           | 18,144           |
| Investments                        | 4     | 2,403                 | -                   | 2,403            | 326              |
| Charitable activities              | 5     | 209,212               | -                   | 209,212          | 178,410          |
| <b>Total income and endowments</b> |       | <b>395,523</b>        | <b>15,000</b>       | <b>410,523</b>   | <b>354,245</b>   |
| <b>Expenditure on:</b>             |       |                       |                     |                  |                  |
| Raising funds                      |       | 57,351                | 478                 | 57,829           | 93,928           |
| Charitable activities              |       | 289,601               | 11,784              | 301,385          | 251,751          |
| <b>Total expenditure</b>           | 6     | <b>346,952</b>        | <b>12,262</b>       | <b>359,214</b>   | <b>345,679</b>   |
| Net gains/(losses) on investments  | 10    | 2,301                 | -                   | 2,301            | (6,960)          |
| <b>Net Income/(expenditure)</b>    |       | <b>50,872</b>         | <b>2,738</b>        | <b>53,610</b>    | <b>1,606</b>     |
| <b>Transfers Between Funds</b>     |       | <b>-</b>              | <b>-</b>            | <b>-</b>         | <b>-</b>         |
| <b>Net movement in Funds</b>       |       | <b>50,872</b>         | <b>2,738</b>        | <b>53,610</b>    | <b>1,606</b>     |
| <b>Reconciliation of funds:</b>    |       |                       |                     |                  |                  |
| Total funds brought forward        | 15/16 | 608,408               | 518,531             | 1,126,939        | 1,125,333        |
| <b>Total funds carried forward</b> | 14    | <b>659,280</b>        | <b>521,269</b>      | <b>1,180,549</b> | <b>1,126,939</b> |

**Balance Sheet**  
**as at 30 June 2023**

|   | Notes | 2023<br>£        | 2022<br>£        |
|---|-------|------------------|------------------|
| <b>Fixed assets</b>                                   |       |                  |                  |
| Tangible assets                                       | 9     | 624,002          | 625,014          |
| Intangible assets                                     | 9     | 22,398           | 25,998           |
| Investments   | 10    | 96,775           | 94,474           |
|   |       | <u>743,175</u>   | <u>745,486</u>   |
| <b>Current assets</b>                                 |       |                  |                  |
| Debtors   | 11    | 178,050          | 121,817          |
| Cash at bank and in hand                              |       | <u>350,016</u>   | <u>348,185</u>   |
|   |       | 528,066          | 470,002          |
| <b>Creditors: amounts falling due within one year</b> | 12    | (90,692)         | (88,549)         |
| <b>Net current assets</b>                             |       | <u>437,374</u>   | <u>381,453</u>   |
| <b>Net assets</b>                                     |       | <u>1,180,549</u> | <u>1,126,939</u> |
| <b>Charity funds</b>                                  |       |                  |                  |
| Accumulated fund                                      | 15    | 659,280          | 608,408          |
| Restricted funds                                      | 16    | 521,269          | 518,531          |
|   |       | <u>1,180,549</u> | <u>1,126,939</u> |

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006 and that members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

S Tate  
President  
Approved by the Trustees on  
23 March 2024

**Institute of Corrosion**  
**Notes to the Accounts**  
**for the year ended 30 June 2023**

**1 Accounting policies**

***General information and basis of preparation***

The charity constitutes a public benefit entity as defined by Financial Reporting Standard 102 (FRS 102). The accounts have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings. In preparing the financial statements the Charity follows best practice as laid down in the Statement of Recommended Practice Accounting and Reporting by Charities SORP 2019 FRS 102 and the Charities Act 2011.

***Going Concern***

The accounts have been prepared on the going concern basis as the directors consider this basis to be appropriate, having reviewed the forecasts for twelve months from the date of signing these accounts. The directors are confident that the Institute will be able to meet its liabilities as they fall due during the next twelve months.

***Depreciation***

Depreciation is calculated to write off the cost or re-valued amount less the estimated residual value of tangible fixed assets on a straight line basis over their estimated useful lives as follows.

|                       |        |
|-----------------------|--------|
| Office Equipment      | 20%    |
| Computer Equipment    | 33.30% |
| Fixtures and Fittings | 20%    |

Assets acquired for less than £500 are not capitalised unless they relate directly to business operations.

Land is not depreciated. Buildings are depreciated if their residual value is considered to be less than cost.

***Amortisation***

Amortisation is calculated to write off the cost or re-valued amount less the estimated residual value of intangible fixed assets on a straight line basis over their estimated useful lives as follows .

|  |     |
|--|-----|
| Website                                    | 25% |
| Trademarks and other intellectual property | 10% |

***Investments***

Investments are valued at the lower of cost or net realisable value. Other investments include charity approved investments which are valued at market value with any gains or deficits being shown in the Statement Of Financial Activities.

***Subscriptions***

Individual and sustaining membership subscription income is accounted for on a receipts basis, unless it relates to a future period in which case it is deferred. All other income is accounted for on an accruals basis. Deferred subscription income in the current year amounted to £30,985 (2022 - £37,743) and £37,743 (2022 - £37,642) was released from the previous year.

***Pensions***

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

**Institute of Corrosion**  
**Notes to the Accounts**  
**for the year ended 30 June 2023**

***Expenditure Recognition***

Expenditure is recognised in the period in which it was incurred and is allocated to the particular activity to which it relates or apportioned in a ratio considered appropriate by the Charity.

***Taxation***

The company has charity tax exemption status.

**2 Income from donations and legacies**

|   | 2023           | 2022           |
|---|----------------|----------------|
|   | £              | £              |
| Subscriptions                                 |                |                |
| Individual Members                            | 92,521         | 96,597         |
| Sustaining Members                            | 56,386         | 57,779         |
| Magazine Income                               | 280            | 210            |
|   | <u>149,187</u> | <u>154,586</u> |
| Elsevier (Corrosion Science)                  | 2,795          | 2,779          |
|   | <u>151,982</u> | <u>157,365</u> |
| Gifts & Donations from Subsidiary Undertaking | -              | -              |
| Other Gifts and Donations                     | 15,000         | -              |
|   | <u>166,982</u> | <u>157,365</u> |

**3 Income from other trading activities**

|                           | 2023          | 2022          |
|---------------------------|---------------|---------------|
|                           | £             | £             |
| Branch fundraising events | 19,721        | 13,259        |
| Branch sponsorships       | 12,100        | 4,750         |
| Merchandise               | 105           | 135           |
| Property rental           | -             | -             |
| Other income              | -             | -             |
|                           | <u>31,926</u> | <u>18,144</u> |

**4 Income from investments**

|               | 2023         | 2022       |
|---------------|--------------|------------|
|               | £            | £          |
| Bank interest | <u>2,403</u> | <u>326</u> |

**5 Income from charitable activities**

|                               | 2023           | 2022           |
|-------------------------------|----------------|----------------|
|                               | £              | £              |
| Branch seminar income         | -              | -              |
| Corrosion Management magazine | 6,096          | 5,950          |
| Training courses              | 203,116        | 172,460        |
|                               | <u>209,212</u> | <u>178,410</u> |

**Institute of Corrosion**  
**Notes to the Accounts**  
**for the year ended 30 June 2023**

**6 Expenditure**

|  | Costs of<br>generating<br>voluntary<br>income<br>£ | Fund<br>raising<br>and<br>trading<br>£ | Direct<br>charitable<br>activities<br>£ | Governance<br>costs<br>£ | 2023<br>Total<br>£ | 2022<br>Total<br>£ |
|--|--|--|---|--------------------------|--------------------|--------------------|
| Admin Fees   | 10,948   | 3,255                                  | 15,090                                  | 296                      | 29,589             | 43,478             |
| Depreciation   | 2,489  | 740                                    | 3,430                                   | 67                       | 6,726              | 8,180              |
| Head Office costs  | 6,992  | 2,079                                  | 9,638                                   | 189                      | 18,898             | 21,726             |
| <b>Total Support Costs</b>                                 | <b>20,429</b>                                      | <b>6,074</b>                           | <b>28,158</b>                           | <b>552</b>               | <b>55,213</b>      | <b>73,384</b>      |
| Audit, Accountancy, Legal &<br>other professional services | -  | -                                      | -                                       | 16,128                   | 16,128             | 18,773             |
| Council & trustee meetings                                 | -  | 1,725                                  | -                                       | 9,242                    | 10,967             | 22,257             |
| Technical secretary services                               | -  | -                                      | -                                       | 3,200                    | 3,200              | 2,950              |
| Business development                                       | 785  | 11,778                                 | 2,356                                   | 785                      | 15,704             | 23,114             |
| Subscriptions and donations                                | -  | -                                      | -                                       | 14,604                   | 14,604             | 13,656             |
| Financial services   | -  | 1,552                                  | -                                       | 2,599                    | 4,151              | 4,400              |
| Other overheads  | -  | -                                      | -                                       | 24,154                   | 24,154             | 22,324             |
| Corrosion management<br>magazine                           | -  | (200)                                  | -                                       | 82,883                   | 82,683             | 82,441             |
| Branch expenditure   | -  | 4,455                                  | -                                       | 29,780                   | 34,235             | 25,925             |
| Conferences & symposia                                     | -  | -                                      | -                                       | -                        | -                  | -                  |
| Training courses   | -  | 11,231                                 | -                                       | 86,944                   | 98,175             | 56,455             |
|  | <b>21,214</b>                                      | <b>36,615</b>                          | <b>30,514</b>                           | <b>270,871</b>           | <b>359,214</b>     | <b>345,679</b>     |

Total support costs are apportioned in proportion to total income.

|  |                |
|--|----------------|
|  | 2023<br>£      |
| <b>Analysis of expenditure on raising funds:</b>         |                |
| Generating voluntary income                              | 21,214         |
| Fundraising and trading                                  | 36,615         |
|  | <u>57,829</u>  |
| <b>Analysis of expenditure on charitable activities:</b> |                |
| Direct charitable activities                             | 30,514         |
| Governance costs   | 270,871        |
|  | <u>301,385</u> |

**Institute of Corrosion**  
**Notes to the Accounts**  
**for the year ended 30 June 2023**

**7 Net Income/(expenditure) for the Year**

Net income/(expenditure) for the year is stated after charging:

|                                     | 2023<br>£     | 2022<br>£     |
|-------------------------------------|---------------|---------------|
| Depreciation                        | 3,126         | 4,330         |
| Amortisation                        | 3,600         | 3,850         |
| Independent examiners remuneration: |               |               |
| Independent examination fee         | 1,825         | 1,750         |
| Other services                      | <u>11,750</u> | <u>11,209</u> |

**8 Staff Costs and Numbers**

|   | 2023     | 2022     |
|---|----------|----------|
| Average number of persons employed by the charity | <u>2</u> | <u>3</u> |

During the year no employees received emoluments in excess of £60,000. The total pension contributions amounted to £3408 (2022 - £3,243).

**9 Fixed Assets**

**Intangible Fixed Assets**

|                       | Website<br>£  | Trademarks<br>£ | Other<br>Intellectual<br>Property<br>£ | Total<br>£    |
|-----------------------|---------------|-----------------|--|---------------|
| <b>Cost</b>           |               |                 |  |               |
| At 1 July 2022        | 14,656        | 495             | 35,500                                 | 50,651        |
| Additions             | -             | -               | -                                      | -             |
| Disposals             | -             | -               | -                                      | -             |
| At 30 June 2023       | <u>14,656</u> | <u>495</u>      | <u>35,500</u>                          | <u>50,651</u> |
| <b>Depreciation</b>   |               |                 |  |               |
| At 1 July 2022        | 14,656        | 398             | 9,599                                  | 24,653        |
| Charge for the year   | -             | 49              | 3,551                                  | 3,600         |
| On disposals          | -             | -               | -                                      | -             |
| At 30 June 2023       | <u>14,656</u> | <u>447</u>      | <u>13,150</u>                          | <u>28,253</u> |
| <b>Net book value</b> |               |                 |  |               |
| At 30 June 2023       | <u>-</u>      | <u>48</u>       | <u>22,350</u>                          | <u>22,398</u> |
| At 1 July 2022        | <u>-</u>      | <u>97</u>       | <u>25,901</u>                          | <u>25,998</u> |



**Institute of Corrosion**  
**Notes to the Accounts**  
**for the year ended 30 June 2023**

**Tangible Fixed Assets**

|                       | Land &<br>Buildings<br>£ | Office<br>Equipment<br>£ | Computer<br>Equipment<br>£ | Fixtures & Fittings<br>£ | Total<br>£ |
|-----------------------|--------------------------|--------------------------|----------------------------|--------------------------|------------|
| <b>Cost</b>           |                          |                          |                            |                          |            |
| At 1 July 2022        | 619,244                  | 14,242                   | 23,813                     | 30,417                   | 687,716    |
| Additions             | -                        | -                        | -                          | 2,114                    | 2,114      |
| Disposals             | -                        | -                        | -                          | -                        | -          |
| At 30 June 2023       | 619,244                  | 14,242                   | 23,813                     | 32,531                   | 689,830    |
| <b>Depreciation</b>   |                          |                          |                            |                          |            |
| At 1 July 2022        | -                        | 13,294                   | 21,932                     | 27,476                   | 62,702     |
| Charge for the year   | -                        | 237                      | 1,675                      | 1,214                    | 3,126      |
| On disposals          | -                        | -                        | -                          | -                        | -          |
| At 30 June 2023       | -                        | 13,531                   | 23,607                     | 28,690                   | 65,828     |
| <b>Net book value</b> |                          |                          |                            |                          |            |
| At 30 June 2023       | 619,244                  | 711                      | 206                        | 3,841                    | 624,002    |
| At 1 July 2022        | 619,244                  | 948                      | 1,881                      | 2,941                    | 625,014    |

The bespoke HQ building was professionally valued as at 21 September 2022 at £340,000. However in accordance with the Charities SORP FRS102 effective 1 January 2019 section 12.14, as the building continues to meet its intended service potential then the Trustees consider that its value in use would be better reflected by its replacement cost value rather than the amount for which it could be sold in the market, and therefore no impairment in value is considered to have arisen. Consequently, the land and buildings continue to be shown in the balance sheet at cost.

**10 Fixed Asset Investment**

|                          | Shares in subsidiary<br>undertakings<br>£ | Other Investments<br>£ |
|--------------------------|---|------------------------|
| <b>Cost/market value</b> |   |                        |
| At 1 July 2022           | 1   | 94,473                 |
| Additions                | -   | -                      |
| Revaluation              | -   | 2,301                  |
| At 30 June 2023          | 1   | 96,774                 |
| <b>Historical cost</b>   |   |                        |
| At 30 June 2023          | 1   | 100,000                |
| At 1 July 2022           | 1   | 100,000                |

In the opinion of the Directors the aggregate view of the company's investment in subsidiary undertaking is not less than the amount included in the balance sheet.

| Company        | Country of registration<br>or incorporation and number | Shares held:<br>Class | %   |
|----------------|--|-----------------------|-----|
| Correx Limited | England and Wales 04673112                             | Ordinary              | 100 |

The company commenced trading in March 2005

As at 30 June 2023, the company's capital and reserves amounted to £509,442 (2022 - £464,642), its turnover was £188,749 (2022 - £177,407) and the Profit for the Year amounted to £44,800 (2022 - £34,240).

**Institute of Corrosion**  
**Notes to the Accounts**  
**for the year ended 30 June 2023**

| <b>11 Debtors</b>                  | 2023<br>£      | 2022<br>£      |
|------------------------------------|----------------|----------------|
| Trade debtors                      | 46,651         | 58,827         |
| Funding for subsidiary undertaking | 41,283         | 5,845          |
| Other debtors                      | -              | -              |
| Prepayments & accrued income       | 90,116         | 57,145         |
|                                    | <u>178,050</u> | <u>121,817</u> |

| <b>12 Creditors: amounts falling due within one year</b> | 2023<br>£     | 2022<br>£     |
|--|---------------|---------------|
| Trade creditors  | 34,629        | 32,027        |
| Other taxes and social security costs                    | 10,168        | 4,821         |
| Accruals and deferred income                             | 45,895        | 51,701        |
|  | <u>90,692</u> | <u>88,549</u> |

| <b>13 Creditors: amounts falling due after one year</b> | 2023<br>£ | 2022<br>£ |
|---|-----------|-----------|
| Other creditors   | <u>-</u>  | <u>-</u>  |

**14 Analysis of Net Assets**

|                 | Unrestricted funds<br>£ | Restricted funds<br>£ |
|-----------------|-------------------------|-----------------------|
| Fixed assets    | 231,640                 | 511,535               |
| Current assets  | 518,332                 | 9,734                 |
| Other creditors | (90,692)                | -                     |
|                 | <u>659,280</u>          | <u>521,269</u>        |

**15 Unrestricted Funds**

|                  | Balance at<br>01/07/2022 | Incoming       | <u>Movement in Funds</u> |           | Unrealised<br>gain/(loss) on<br>investment | Balance at<br>30/06/2023 |
|------------------|--------------------------|----------------|--------------------------|-----------|--|--------------------------|
|                  | £                        | £              | Outgoing                 | Transfers | £  | £                        |
| Accumulated fund | 608,408                  | 395,523        | (346,952)                | -         | 2,301                                      | 659,280                  |
|                  | <u>608,408</u>           | <u>395,523</u> | <u>(346,952)</u>         | <u>-</u>  | <u>2,301</u>                               | <u>659,280</u>           |

**Institute of Corrosion**  
**Notes to the Accounts**  
**for the year ended 30 June 2023**

**16 Restricted Funds**

|                         | Balance at<br>01/07/2022 | Incoming | Movement in Funds |           | Unrealised<br>gain on<br>investment | Balance at<br>30/06/2023 |
|-------------------------|--------------------------|----------|-------------------|-----------|-------------------------------------|--------------------------|
|                         |                          |          | Outgoing          | Transfers |                                     |                          |
|                         | £                        | £        | £                 | £         | £                                   | £                        |
| Corrosion network group | 855                      | -        | -                 | -         | -                                   | 855                      |
| Building endowments     | 7,535                    | -        | -                 | -         | -                                   | 7,535                    |
| Building fund           | 504,000                  | -        | -                 | -         | -                                   | 504,000                  |
| Young engineers fund    | 6,141                    | 15,000   | (12,262)          | -         | -                                   | 8,879                    |
|                         | 518,531                  | 15,000   | (12,262)          | -         | -                                   | 521,269                  |

The Corrosion Network Group formally known as the Corrosion Co-ordination Group was set up in 1997 by way of donations. The grant terms for the Corrosion Network Group are to provide support for a delegate from each of IoM<sup>3</sup> and The Institute of Corrosion to attend the EFC Corrosion Conference each year.

Building endowments are made up of donations to the building fund from members.

The building fund includes funds from the Corrosion House sale and £410,000 gift aided from Correx Limited.

The Young Engineers fund is used to support the Young Engineers Program.

**17 Related Party Transactions**

During the year administration overheads amounting to £59,137 (2022 £63,629) were charged to Correx Limited, a trading subsidiary.