

# THE INSTITUTE OF PHYSICS

England & Wales · Charity number 293851

## Details

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**Status** Registered

**Legal form** Other

**Registered** 1986-03-21

**Register** [View on the Charity Commission register](#)

## Contact

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## Activities

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**Objects:** TO PROMOTE THE ADVANCEMENT AND DISSEMINATION OF A KNOWLEDGE OF AND EDUCATION IN THE SCIENCE OF PHYSICS, PURE AND APPLIED.

**Activities:** Implementation of various projects aimed to promote the advancement and dissemination of a knowledge and education in the science of physics, pure and applied. Communicating importance of physics to all audiences, increasing awareness of and participation in physics. Maintaining and increasing membership.

## Classification

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- **How:** Makes Grants To Individuals, Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** General Charitable Purposes, Education/training, Arts/culture/heritage/science
- **Who:** Other Defined Groups, The General Public/mankind

## Geography

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- Ireland
- Kenya
- Northern Ireland
- Scotland
- Tanzania
- Throughout England And Wales

## Finances

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Period end	Income	Expenditure	Assets	Employees
2024-12-31	£82,384,000	£83,759,000	£77,754,000	677
2023-12-31	£71,921,000	£77,965,000	£74,406,000	625
2022-12-31	£74,883,000	£76,855,000	£79,630,000	582
2021-12-31	£78,795,000	£76,949,000	£83,680,000	575
2020-12-31	£76,690,000	£66,840,000	£67,110,000	585

## Trustees

Name	Role	Appointed
<b>Professor Paul John Arton Howarth CBE</b>	Chair	2025-10-01
Dawn Charlotte Watson		2025-10-01
Dr Alison Jane McMillan		2021-10-01
Dr Christopher David O Leary		2025-10-01
Dr Hana Eliska Krizek		2023-10-01
Dr JANE DAVINA CLARK		2023-10-01
Dr Judith Mary Hillier		2024-10-01
Dr Melissa Uchida		2022-10-01
Dr Peter Anthony Thompson		2022-10-01
Dr Rebecca Susan Dewey		2024-10-01
Dr Shoniwa Mosekari		2025-10-01
Dr Vincent Smith MBE		2025-10-01
Paula Knee		2024-10-01
Professor David Delpy		2019-10-01
Professor Dermot Gerald Green		2024-10-01
Professor Malcolm John Cooper		2025-10-01
Professor Robert Andrew Lamb		2024-10-01
Professor Tara Georgina Shears		2023-10-01

**THE INSTITUTE OF PHYSICS**

England & Wales - Charity number 293851

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# Accounts

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**IOP** Institute of Physics

**The Institute of Physics  
Trustees' Annual Report  
and Financial Statements  
for the year ended 31 December 2024**

**[iop.org](http://iop.org)**

## The Institute of Physics

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## The Institute of Physics

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### President's Foreword

Physics can help build a better world. In 2024, The Institute of Physics (IOP) launched our new strategy, Physics for our Future, which sets out the action we must take to ensure physics can make this better world a reality. In partnership with my fellow IOP members, we committed to fight for physics skills and science for the benefit of society – to open up a better, braver, brighter future for us all.

As IOP President, I am convinced that in a time of change for the UK, Ireland and the wider world, a diverse, vibrant, sustainable physics community is needed more than ever. In 2024, we saw general elections in the UK and Ireland and around the world, including in the United States, where the IOP has members, staff, partners and many authors who publish with IOP Publishing.

All this will be significant for physics both at home and abroad, so our work to advocate for physics and the conditions which support it to thrive – openness, evidence-led debate, diversity of thought and inclusivity - will be more important than ever.

The IOP kicked off 2024 in the way we meant to go on, with an inspirational showcase of green tech innovation attended by HRH the Duke of Edinburgh and national media, following the launch of our Green Economy impact report in 2023.

In the run-up to both the UK and Irish general elections, the IOP made a strong case for R&D, physics skills and teaching, and the importance of encouraging young people from all backgrounds to see how a future in physics could be for them. After the UK general election, I was delighted to meet the new UK Secretary of State for Science, Innovation and Technology who visited the IOP and addressed our Council alongside a prestigious celebration of CERN's 70th anniversary.

Globally, physics took centre stage when the UN named 2025 as the International Year of Quantum Science and Technology. The IOP was asked to coordinate the year for the UK and Ireland – a role that we are proud to take on as the eyes of the world turn to this revolutionary science and technology, which is just one example of how physics has and will continue to change lives.

Our publishing services, through IOP Publishing, continue to play a vital role in ensuring trust in scientific research and advancing scientific discovery. As the world's research output grows, our portfolio of highly respected, multidisciplinary journals, books, conference proceedings and science news provides a global platform for researchers to gain visibility and recognition for their important work.

Alongside these positives, however, many challenges remain for physics and for science. In the UK, the economy and public finances remain challenging and funding remains a very real concern for both R&D and university physics departments.

We still have a serious physics skills gap, and while it was encouraging to see a record rise in 2024 of students taking physics A level, we must do much more to bring young people from all backgrounds into the field. Physics can only thrive if we have a strong physics community, now and in the future, across research, teaching, business and technical skills.

As we move into 2025, I am certain that the IOP and our members are ready to meet these challenges head-on. Together, we will speak up for physics, for physicists, and for the enormous benefits physics can and must be supported to deliver for everyone in our society.

Sir Keith Burnett, IOP President

## The Institute of Physics

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### Group Chief Executive Officer's Foreword

The 2024 launch of our new strategy, Physics for our Future, was a proud and exciting moment for me and all of us at the IOP. It articulates why physics is such a vital part of human innovation and discovery; why it is so essential for our future; and, most importantly, what we at the IOP must do across skills, science and society to help realise this potential.

Our future needs physics skills. We want everyone to see they can be part of changing their world through physics. We must have teachers who can bring physics alive, and we must open up opportunities to gain physics skills at any stage in life.

Our future needs physics science. Innovations powered by physics drive economic growth and help us tackle climate change, diagnose and treat new diseases, build global communications networks and more. That means supporting physics researchers, physics businesses, R&D and international collaboration.

We do what we do because our society and our world benefit so much from physics. We want everyone to see the human impact physics can have and everyone to have a say in the future we want science to create. People from all backgrounds must be welcomed, seen and heard in those debates.

That is why I am so proud that 2024 saw the launch of our Physics Inclusion Award, which supports universities to ensure everyone is welcomed and included in physics. I am proud of the incredible work we have done over the past year to support and advocate for physics, both at home and abroad in Europe, Asia, the US and more. And I am proud that IOP Publishing continues its journey towards open access, offering increasingly open, transparent and inclusive publishing solutions to the global scientific community.

The past year has been one of change for the world and also for the IOP. As we transition to our new strategy, we have looked at how we work, what we do well and what we can do even better. We have worked together, and with our members and stakeholders, to explore how we can deliver the impact we need in a changing financial landscape, finding ways to be efficient, effective and sustainable as IOP Publishing makes its planned and strategic transition to open access publishing.

It has been a privilege to work with our committed groups, nations and branches and to see new groups thrive. We have welcomed new members, fellows and honorary fellows; recognised brilliance in our annual IOP Awards; and brought the physics community together at our annual Celebration of Physics and other leading events. We have travelled with members around the UK and Ireland, closing off the year with a wonderful event in Cardiff to celebrate the launch of the Physics Inclusion Award.

Hosting the 70th anniversary celebrations for CERN, where leading physicists joined European representatives and the UK's own Secretary of State for Science, Innovation and Skills, was a particular highlight following the IOP's dedicated work to secure Irish membership of CERN.

Working together, as a physics community and a society, we can change the world for the better. I am delighted to present this annual report which gives a flavour of how we have done that in 2024, and I look forward to an even more ambitious and successful 2025.

Tom Grinyer, IOP Group CEO

## The Institute of Physics Trustees' Annual Report for the year ended 31 December 2024

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### Our Objectives, Purpose and Aims

The Institute of Physics (commonly known as 'IOP' or 'the IOP') is the national physical society for the UK and Ireland. The objective of the IOP, as stated in its Royal Charter, is to promote the advancement and dissemination of a knowledge of, and education in, the science of physics, pure and applied, for the benefit of the public and the members of the IOP.

The trustees confirm that they have referred to the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator (OSCR)'s guidance on public benefit when reviewing the IOP's aims and objectives and in planning future activities. The IOP meets the public benefit test in the following ways:

- the advancement of education;
- the advancement of science;
- the advancement of community development; and
- the promotion of equality and diversity.

The IOP works to advance physics research, application and education, and engages with policymakers and the public to develop awareness and an understanding of physics.

We undertake many activities to further our purposes for the public benefit, including:

- our support for learners, teachers, technicians and curriculum development to support universal access to quality learning pathways and our work to close the physics teacher gap;
- our work to articulate and tackle the physics skills shortage holding back physics-powered sectors;
- our focus on building a more diverse, inclusive and vibrant physics community; seeking to encourage students from under-represented groups to study physics beyond the age of 16; working to break down barriers so all pupils can have a high-quality physics education; and ensuring everyone feels welcomed and supported in the physics community;
- our work to communicate the benefit physics can have on our society - including as a driver of growth and innovation - and advocate for the conditions needed for physics to fulfil its huge potential;
- our publication of journals, books, conference proceedings and science news to bring high-quality physical science research to a global audience, ensuring the latest research developments are seen, shared and built upon. IOP Publishing Limited (IOPP) is committed to making universal access to scientific research a reality, supporting greater access, transparency and inclusivity across the physical sciences;
- our efforts to connect physicists working in all sectors to drive innovation and support the delivery of ground-breaking technologies that will help shape the economies of the UK and Ireland;
- our work to raise public awareness of the value of physics, sparking interest in the subject and encouraging more people to get involved in it by showing how physics affects all our lives;
- our events and conferences, which support a thriving physics ecosystem, bringing together the community from across the UK, Ireland and internationally, to share knowledge about the discipline and its applications, explore collaborations and provide networking opportunities; and
- our work to continually increase professional and ethical standards across the physics community, driving excellence and supporting inclusive workplaces.

**The Institute of Physics  
Trustees' Annual Report for the year ended 31 December 2024**

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## **Our strategy: Physics for our Future**

We launched our new five-year strategy, Physics for our Future, in February 2024.

Developed in partnership with our members and stakeholders, its focus is simple: **skills, science and society**. Making sure we have the physics skills we need for our future, unlocking the potential of physics science and innovation, and, ultimately, ensuring that physics can offer the widest possible benefit to all parts of our society.

### **Our goals**

**Skills:** The opportunities, knowledge and skills that physics can offer will be truly open to all – so we can better understand our world, shape rich and inspiring futures, and build thriving, resilient societies and economies.

**Science:** Strengthen physics across science, research, innovation and technology to enhance our understanding of the world and help current and future generations to live more prosperously and sustainably.

**Society:** Increase understanding of the ways physics benefits all our lives by amplifying physicists' voices in partnerships and conversations with wider society and exploring the human stories of physics meeting the social challenges we face.

To achieve these goals, our strategy will be guided by four fundamental principles – to be member-focused, inclusive and sustainable, and to work in partnership – including deepening our collaboration with IOP Publishing.

### **Our principles**

- **Member-focused:** Members are at our heart and integral to our success.
- **Inclusive:** Physics must welcome, include and reflect all parts of our diverse society.
- **Sustainable:** For our environment, our community and our financial foundations.
- **Partnership:** Working together with partners every step of the way helps us achieve more together and we will deepen our collaboration with IOP Publishing.

2024 was our transition year from our former strategy, Unlocking the Future, to our new strategy and the evolution of our ambitions, Physics for our Future. Therefore the 2024 Annual Report and Accounts provide detail of the expenditure against the structure of the strategy in place during the transition year.

The activities set out above underpin the new strategy. The activities included under Ecosystem ('Building a diverse, thriving and effective physics community') form part of our new Skills goal. Productivity ('Unlocking the full value of physics to society and the economy') is included within our new Society goal. Public Dialogue ('Showing the impact of physics and inspiring informed public conversations') will be a core part of each of the new goals, Skills, Science & Society. Our work with members and scientific publications are two of our core principles, member focussed and partnership.

Much of the vital work of Unlocking the Future continued into 2024 and will flow into the next four years of this new strategy. From 2025 onwards, all our work will drive towards the delivery of our three core themes – skills, science and society – and the four principles of member-focused, inclusive, sustainable and partnership. This will be reflected in the 2025 Annual Report and Accounts.

**The Institute of Physics**  
**Trustees' Annual Report for the year ended 31 December 2024**

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## **Our 2024 Activities and Impact**

### **Skills, knowledge and opportunities for our future**

Our future needs skills. From a young child who looks in awe at the stars to someone dreaming of a new career, we want everyone to see that they can be part of changing their world through physics.

Over 2024, we have worked to break down stereotypes, open up opportunities to gain physics skills and ensure everyone can access a good physics education. We have engaged with families and young people, supported schools and teachers, and continued to drive inclusion and diversity in physics, ensuring everyone working in physics feels welcomed and included. Here are some highlights from the year.

#### **Working towards a world-class physics education for all**

We saw welcome growth in physics teacher recruitment numbers in England, driven by both domestic and international trainees. We awarded our highest number – 163 – of Department for Education-funded initial teacher training scholarships in England for many years, and we supported the Department for Education's pilot physics teacher training programme specifically targeted at engineers.

We also welcomed the number of A level students taking physics hitting a 30-year high, with a 12% increase on 2023 – though we highlighted that the number of girls taking the subject remained low, emphasising the continued importance of encouraging young people from underrepresented backgrounds into physics.

We launched two curriculum frameworks. The first was our primary science framework, produced in partnership with the Association for Science Education, Royal Society of Biology and Royal Society of Chemistry, which launched in the summer to widespread national media coverage. We also published a secondary physics framework in the autumn ahead of government curriculum reviews, which was profiled in The Times with an interactive quiz. In Ireland, we responded to consultations on the proposed new curricula for Leaving Cert Physics and Primary Science, Technology and Engineering. And we launched two knowledge frameworks to support physics teachers, and educators of physics teachers, to think about their practice and professional learning at all stages of their career.

We were quoted extensively in the 2024 final report of the House of Commons Education Select Committee, which we gave evidence to in 2023. In Scotland, we engaged with Education Scotland's Curriculum Improvement Cycle for the Sciences and were referenced in key national policy documents. We engaged with the Scottish Government's Education Bill and were cited by the lead committee in its report on the Bill. In Wales, we met with the Cabinet Secretary for Education to discuss GCSE reform and teacher shortages, and influenced the Children and Young People's Committee to hold an inquiry on teacher shortages. Following a meeting with an IOP delegation, the Chair of the Northern Ireland Education Committee agreed to hold an evidence session to help the Education Committee and Northern Ireland Assembly understand the importance of tackling the physics teacher gap.

This was complemented by targeted support for physics educators, including an estimated 3,500+ teacher hours of professional development support and conferences such as our CPD conference in Wales, our Frontiers of Physics in the Republic of Ireland and our Stirling conference in Scotland. The popularity of our IOPspark teaching resource platform and quarterly Classroom Physics magazine, which reaches more than 1000 schools and colleges, continued and we concluded phase 2 of our pilot Physics Teacher Educator programme.

**The Institute of Physics**  
**Trustees' Annual Report for the year ended 31 December 2024**

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## **Our 2024 Activities and Impact (continued)**

### **Championing physics skills pathways**

In 2024, we followed up our 2023 'Solving Skills' report into the barriers and opportunities for physics-related apprenticeships with the launch of 'Solving Skills One Year On: Partnerships powering apprenticeships' during National Apprenticeship Week.

We partnered with the Engineering and Physical Sciences Research Council (EPSRC) and the UK Institute of Technical Skills and Strategy (UKITSS) on the new physics technical apprenticeship pilot. This scheme aims to accelerate investment into new technical talent and supports institutions with succession planning for technical roles. Five £20k awards were made to three English and two Scottish higher education institutions. We also worked with partners on a Gatsby Foundation-funded project to address the perceived barriers for employers to offer T-level science work placements.

We sat on the UK Government's Quantum Skills Task Force to help ensure that the underpinning importance of physics, and the voice of the physics community, are recognised as critical to the UK quantum sector's further success. In Scotland we continued to raise awareness of the importance of physics skills in key physics-based industries such as photonics and the space sector.

In England, we have worked to influence regional skills strategies, raising the profile of physics and ensuring that the needs of physics-powered sectors, like space and advanced manufacturing, are championed. This included building strong relationships with 30 of the 38 bodies responsible for developing Local Skills Improvement Plans (LSIPs).

Planet Possibility, a flagship consortium-led physics-related careers initiative backed with £2m from the IOP Challenge Fund, concluded during 2024. The consortium is now focused on securing a sustainable future legacy, with a final independent impact evaluation due in 2025.

### **Breaking down barriers and inspiring public engagement**

Our Limit Less/Torrwch y Ffiniau campaign works to break down barriers that can put off young people from underrepresented backgrounds from pursuing physics, and open up opportunities for young people to gain the physics skills and knowledge that can help them change the world.

The 2024 Eureka's competition, in its third year and managed entirely in-house for the first time, attracted over 200 creative submissions from young people. Limit Less gained valuable exposure at various events and talks throughout the year, including the Association for Science Education Annual Conference, the British Science Association's event, Engaging Young People Who Are Underrepresented in STEM, and Cally Fest in King's Cross.

Throughout 2024, we engaged with our 2,300+ Limit Less supporters, including teachers and members, sharing the valuable Limit Less resources and reinforcing our commitment to supporting educators and advocates in promoting inclusivity in physics.

Limit Less and our inclusion work continued to influence governments around the UK. The Welsh Cabinet Secretary for Education cited initiatives like the IOP's Stimulating Physics Network and the Whole School Inclusion and Equity Project in the Senedd, and the Welsh Government's annual education report referenced the Limit Less Whole School Approach Toolkit as a valuable resource. The Scottish Government's Chief Scientific Adviser also referred to the IOP in her oral evidence to the Scottish Affairs Select Committee inquiry on Science and Scotland, citing our work on promoting diversity and inclusion in STEM. In Northern Ireland, we were invited to present our work on Whole School Equity Plans to the Education and Training Inspectorate.

In 2024, our public engagement work won a £100,000 grant from the UK Space Agency, which allowed us to deliver an ambitious programme to inspire young people and their families from diverse backgrounds about opportunities physics can unlock in the space sector and beyond.

## **The Institute of Physics Trustees' Annual Report for the year ended 31 December 2024**

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### **Our 2024 Activities and Impact (continued)**

#### **Breaking down barriers and inspiring public engagement (continued)**

We held events in Scotland, Wales, England and Northern Ireland and developed an online resource of young people's questions answered by space sector role models, including astronaut Helen Sharman, the first Briton in space. Over the summer, we ran our interactive exhibition, Mimi's Space Adventure, at the IOP's London site and held our inaugural family exhibition at the IOP's Dublin building, carving a unique offering in the city's cultural landscape.

The programme showcased role models, from the IOP's membership and beyond, in exhibitions, at events, and in print and online, generating 11,473 interaction hours with audiences. 80% of families visiting exhibitions had at least one young person from the target audience of our Limit Less campaign, and we exceeded online reach targets by 4.5 times.

Meanwhile, our Public Engagement Grant Scheme successfully provided grassroots funding to communities, helping young people and their families connect with physics in meaningful ways.

#### **Promoting diverse and inclusive physics environments**

In April, we were proud to launch our new Physics Inclusion Award. Developed by the physics community with the IOP, the award helps us make sure physics welcomes and supports people from all backgrounds to thrive in the subject. The successor to our respected gender equality award, Project Juno, it supports university physics departments to be welcoming and inclusive to those from all backgrounds.

Since the launch, we have recruited a new peer assessment panel following applications from people in both academia and industry, and received many expressions of interest from university departments around the UK and Ireland. We have continued to engage with Advance HE, which runs the Athena SWAN Charter, to maintain alignment between our respective awards and to continue to ensure gender equality efforts are maintained.

Project Juno, our flagship gender equality scheme for departments and schools of physics along with physics-related organisations, officially closed in June 2023. Over 2024, we have been reviewing and analysing its impact and will release a report with the findings in 2025.

In 2024, the Bell Burnell Graduate Scholarship Fund, designed to encourage greater diversity in physics, reached the milestone of having awarded £1m in grants. During the year, £215,000 of funding was shared between eight students from underrepresented backgrounds to pursue physics-based PhDs, bringing the total number of grant awardees to 38.

The LGBT+ Physical Sciences Network, our cross-sector initiative with the Royal Astronomical Society and the Royal Society of Chemistry, launched a quarterly newsletter to improve the network's visibility and reach. Following a workshop in May, the Network steering group recommended a repeat of the 2019 'Exploring the workplace for LGBT+ physical scientists' survey to gain an understanding into the current landscape for the community, and to see how the recommendations from the 2019 report have been implemented and what impact they have had. This work is expected to take place in 2025 with a report published the year after.

In March, the Conference for Undergraduate Women and Non-Binary Physicists was held in Limerick, with over 100 physicists joining for talks, tours and outreach activities to support and encourage their choices for their educational and professional futures in physics. We also worked closely with the Women in Physics Group to improve our support to members on a career break. In September 2024, we launched a webpage detailing this support, which includes one free place at an IOP conference and signposting support services.

#### **Strengthening science and innovation for a better world**

Alongside our work to close the physics skills gap and open up physics to all, we have worked to strengthen physics research, science and innovation and unleash its potential to transform society.

**The Institute of Physics**  
**Trustees' Annual Report for the year ended 31 December 2024**

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## **Our 2024 Activities and Impact (continued)**

### **Securing the support for physics to thrive**

The year saw significant political developments in the UK, prompted by the General Election in July and subsequent change of government. We were able to react swiftly, with an already agreed set of policy asks aimed at ensuring any new government would recognise the importance of investing in physics research, education and skills for the future.

Throughout the summer, we wrote to all relevant secretaries of state and ministers and hosted an event at Labour's first annual conference as the governing party, with a speech from Chi Onwurah MP as newly elected chair of the Science, Innovation and Technology Select Committee.

In September, we hosted Peter Kyle, Secretary of State for Science, Innovation and Technology, at a reception to mark the 70th anniversary of CERN, alongside leading figures from science and research in the UK, Europe and worldwide.

In the run-up to the new government's first Budget, we responded to fears of a significant cut to the R&D budget. Working in partnership with the rest of the sector, we ensured the government understood the importance of research and innovation, urging continued investment. In her Budget, the Chancellor expressed support for R&D and innovation, recognising that it will be vital to driving economic growth.

Highlights included our business awards reception in Westminster, contributions to the Scottish Affairs Committee's inquiry on Science and Scotland, and a visit from IOP's CEO and senior executives to meet Northern Irish ministers and advisors at Stormont. We chaired Science in the Senedd in Wales and met the Chief Scientific Advisor to Welsh Government.

We continued to lobby the Irish Government to seek associate membership of CERN, winning an award for best Public Affairs Campaign (part of a 10-year campaign led by the IOP) which had helped persuade the Irish Government to allocate a 5-year budget for CERN membership. The process of application began in late 2023 and it is hoped that the membership process will be completed in 2026.

### **Shaping the physics debate**

Our impact projects shape the debate in areas of the discipline that the community has highlighted as priorities – key areas of science, research, innovation or technology where IOP interventions can provide firmer footing. During 2024, supported by engagement with over 1,000 IOP members and fellows, we focused on technologies critical to delivering net zero and growing a green economy, space science and technology, as well as venture capital investment for physics deep tech. We also explored pathways for new impact work in physics and AI, metamaterials and medical physics.

The impact projects have now helped shape national science strategies and public sector investment commitments of over £3.5 billion and provided platforms for IOP to engage at the highest levels, including senior government ministers and officials, parliamentarians, chief scientific advisors, funders, researchers, investors, and large and small businesses.

In February, we welcomed HRH the Duke of Edinburgh to a showcase event for our 2023 Physics Powering the Green Economy report. This celebrated the enormous contribution of physics to the green economy, with more than 72% of UKRI R&D in green economy technologies classed as 'core' or 'strongly' physics. The industry showcase brought together innovative businesses featured in the report including Sizewell C, QLM Technologies, Hirst Magnetics, Space Solar, UKAEA STEP and Rolls-Royce.

We built on our quantum work with a partnership with Quantum Exponential and worked with members in our qBIG special interest group to run an annual prize to support SME companies taking quantum tech to market. The 2024 winner, Irish firm Equal1, was announced at The Economist's quantum global summit. Following the UN announcement that 2025 would be the International Year of Quantum Science and Technology, the IOP was confirmed as the coordinator of UK and Irish activity for the year. A group is being convened to consider how best to act on the recommendations. We also brought together leaders across space science and business in the UK to publish a report about the importance of space science strategy.

## **The Institute of Physics Trustees' Annual Report for the year ended 31 December 2024**

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### **Our 2024 Activities and Impact (continued)**

#### **Shaping the physics debate (continued)**

In November, we launched a new impact report on venture capital and physics deeptech at our annual business awards parliamentary reception, attended by leaders in government, business and academia. The report engaged with venture capitalists representing more than 50% of capital under management in physics-based businesses. It highlights a funding gap in physics deeptech compared to deeptech rooted in other sciences which, if addressed, would result in £4.5bn additional funding available to physics-based businesses. The report received a warm reception in government and a cross-government support.

#### **International representation and advocacy**

We represented UK and Irish physics around the world in partnership with IOP Publishing, beginning with the American Physical Society's Spring Meeting in Minneapolis and a meeting with the US Office of Science and Technology Policy at the White House in Washington DC.

In China, we attended the General Meeting of the International Union of Pure and Applied Physics and saw representatives from UK and Irish physics communities secure positions on key commissions, alongside meeting a number of leading academics in China who are members of IOP Publishing's Scientific Advisory Board. In Japan, we met leaders from the Physical Society of Japan and the Japan Society of Applied Physics, while IOP President-elect Michele Dougherty attended the Australian Institute of Physics Annual Congress in Melbourne to present the Harrie Massey Medal and Prize.

In November, we held the sixth International Union of Pure and Applied Physics, European Physical Society and IOP Special Interest Group meeting, which brings together representatives from interest groups and commissions around the world to align efforts on shared priorities such as education, outreach and policy. We also held our fifth joint event with the German Physical Society (DPG), attended by 185 IOP and DPG members from 19 countries.

#### **Africa-UK Physics Partnership Programme**

The Africa-UK Physics Partnership Programme launched in 2024 with £10.3 million of funding from the UK Government's International Science Partnership Fund, following several years of development work by the IOP. The programme is being delivered by the Science and Technology Facilities Council and aims to bridge the gap between science in the UK and Africa. It is funding work on three themes: climate and weather, energy and capacity-building with physics.

The first round of grant awards brought together physicists from the UK, Ghana, Kenya, Rwanda, South Africa, Tanzania and Uganda. Thirteen projects were selected that will support innovation in African physics communities. These projects range from addressing the demand for renewable energy in low-income countries, to tackling the lack of representation for women in physics fields.

### **Our members**

The IOP's members are at the heart of everything we do and in 2024, we were delighted to welcome our 21,000th member, with total membership reaching 21,190 by the end of 2024.

In partnership with our Member Networks, we delivered a successful event programme including our second Celebration of Physics summer festival, which welcomed 150 local schoolchildren alongside the physics community and celebrated the winners of our 2023 awards. Our groups, nations and branches, supported by the IOP, delivered 150 conferences and events, with a total attendance of more than 7,300 people.

We have seen a steady increase in the understanding and engagement in a range of our member benefits. During 2024, building on our 'Maximising the benefits of IOP membership' webinars for members, we launched monthly 'New member welcome' webinars, which were attended by 248 people.

**The Institute of Physics**  
**Trustees' Annual Report for the year ended 31 December 2024**

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## **Our 2024 Activities and Impact (continued)**

### **Our members (continued)**

We expanded our student community network with the number of Campus Ambassadors increasing from 24 to 29, Student Community Panel members increasing from six to 13, and affiliated societies increasing from 50 to 55. Our second Student Community Training Day brought together all our engaged student volunteers, nearly doubling the 2023 attendance, and we hosted over 200 physics students from across the world at the PLANCKS finals at Trinity College Dublin in May.

Our Council continued the successful programme of Vice-President visits, with now-retired IOP Vice-President for Business John Bagshaw CEng CPhys FInstP attending the IOP Scotland Committee in June at the University of Glasgow and visiting both Coherent Scotland and the National Manufacturing Institute Scotland. Our Vice-President for Membership, Elizabeth Cunningham MInstP FRAS, visited Swansea in September, giving a presentation at Photon 2024, meeting with the IOP Wales Committee and visiting Oriel Science in Swansea.

We saw an increase in the number of professional registrations awarded in 2024 compared with the previous year, and, in April, the Engineering Council extended our licences to award its Chartered Engineer, Incorporated Engineer and Engineering Technician registrations for a further five years. We held an inaugural Celebration of Excellence event in September to thank our members for their commitment to professional excellence.

Meanwhile, our Professional Registration Advisor scheme continued to support members applying for professional registration through the IOP, especially those without in-house support from their organisation, and due to its popularity, we are looking to recruit additional advisors to meet demand. We also launched our new in-house CPD recording tool, My CPD Record, which simplifies the process of recording CPD activities that members regularly undertake to advance their knowledge and skills. We also launched a new, tailored learning and development hub.

Our flagship IOP Awards celebrated excellence in physics, with 42 awards made. After implementing changes based on our 2023 IOP Awards Review, we were delighted to receive a high level of strong nominations that resulted in an outstanding cohort of winners. We have seen more nominations overall, from a more diverse range of backgrounds, and 30% of our 2024 winners were women, an increase on previous years and now in line with the proportion of women that make up IOP membership.

### **A strong, sustainable IOP**

None of the impact we have at the IOP is possible without a strong, sustainable organisation which can work efficiently, effectively and in partnership to deliver our strategy.

2024 was the first transition year of our new strategy Building our Future. We worked with colleagues across the IOP, supported by expert consultants, to consider how we work together, how we measure success and what we can do differently to increase the impact of our work. We reflected on our many strengths, consulted with staff through many channels and uncovered areas where we can improve how we work. Moving into 2025, we are finalising this important work with a fresh structure, KPIs and operating model coming into place to ensure we can deliver even greater impact for our members and for physics.

We have also looked at our financial sustainability, with IOP Publishing continuing to transition to open access publishing, with a focus on providing high-quality service and operational excellence that delivers long-term impact, value and recognition to the scientific community. As we invest in this journey, there will be a long-planned-for drop in Gift Aid to the IOP, and we have carefully reviewed and reduced our expenditure to support this change. We have looked at ways to grow the IOP's income through other sources and considered how we move sustainably and confidently into the coming years while continuing to deliver our strategic goals.

## The Institute of Physics Trustees' Annual Report for the year ended 31 December 2024

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### Our 2024 Activities and Impact (continued)

#### IOP Publishing

IOP Publishing (IOPP) is the IOP's publishing arm and a leading international scientific publisher, working to expand the world of physics by providing impact, recognition and value for the scientific community and ensuring greater access to scientific knowledge.

There are three core areas of focus that underpin our strategic ambitions – encouraging greater uptake of open access, providing outstanding publishing services to researchers and improving the discoverability and impact of research. As an open-first publisher, IOPP continues to offer increasingly open, transparent and inclusive publishing solutions to the global scientific community.

In 2024, open access (OA) content made up 47% of IOPP's total journal output, up from 46% in 2023. In addition, 35% (2023: 31%) of OA content was published under a transformative agreement, with 1,089 (2023: 942) agreements in place in 39 (2023: 34) countries. Transformative agreements allow libraries or university consortia to cover subscriptions to paywalled content and allow authors to publish work openly. They have proven highly effective in accelerating the transition to OA.

As part of IOPP's commitment to promoting data sharing and supporting research reproducibility, all authors submitting to our journals are required to include a data availability statement outlining how their research data can be accessed.

Ensuring that OA publishing is an option for all researchers globally continues to be a key focus. IOPP supports authors from lower- and lower-middle-income economies by automatically applying discounts and waivers to article publication charges (APC) across all proprietary journals. In 2024, 1,373 individual authors (2023: 1,021 individual authors) benefitted from the discount and waiver programme, with authors from lower-income economies contributing more than 15% (2023: 13%) of the articles accepted in OA journals.

IOPP's portfolio of fully open journals continued to grow. In 2024, IOPP launched five new journals to meet the growing demand in key research areas. These included the diamond OA *Journal of Reliability Science and Engineering*, launched in partnership with the Institute of Systems Engineering, and *Environmental Research: Water* which became the latest addition to IOPP's OA Environmental Research series with the goal of addressing critical sustainability challenges for the planet.

The Progress In series™, which includes the new journal *Progress in Energy*, builds on IOPP's prestigious journal *Reports on Progress in Physics* and aims to unite communities advancing progressive research across the physical sciences. Our Machine Learning series expanded to include three new OA journals: *Machine Learning: Health*, *Machine Learning: Earth* and *Machine Learning: Engineering*, which all open for submissions in 2025.

Over the course of the year, 36,011 articles were published, up from 28,977 in 2023, and 87 million articles (2023: 78 million articles) were downloaded from IOPP's content platform, IOPscience. Our ebook programme expanded with the addition of 118 new titles (2023: 110 new titles). For conference proceedings, 21,696 (2023: 22,493) open access papers were published.

Strengthening the quality and efficiency of the peer review process remained a priority. Since the 2023 launch of IOPP's peer review feedback programme, 23,425 reviewers have opted in to receive feedback on their reviewer reports. The response from the reviewer community has been overwhelmingly positive, with 84% saying they found the feedback useful. Our co-review policy, which ensures that all reviewers get the credit they deserve, has seen over 3,000 reviewers opt-in to co-review with a colleague since its launch in 2023.

IOPP's free Peer Review Excellence: IOP training and certification programme, dedicated to the physical sciences, gives early career researchers the ability to review with confidence. Over 15,000 reviewers have now achieved IOP trusted reviewer status following the submission of a top-quality review report. It is reserved for the top 15% of diligent reviewers who consistently demonstrate excellence in their work.

**The Institute of Physics  
Trustees' Annual Report for the year ended 31 December 2024**

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**Our 2024 Activities and Impact (continued)**

**IOP Publishing (continued)**

Together with AIP Publishing and the American Physical Society, IOPP formed the Purpose-Led Publishing Coalition, with a shared promise to always put purpose above profit and better serve our shared research community. The three like-minded scholarly publishers are united by their not-for-profit status, with all the funds made from publishing going back into the research ecosystem.

## The Institute of Physics Trustees' Annual Report for the year ended 31 December 2024

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### Plans for 2025

We believe physics can make a better world for us all, and our strategy Physics for our Future sets out how the IOP will strive to make that better world a reality with a focus on skills, science and society. In 2025, we begin work in earnest to drive forward our goals within these three themes.

We must start with a clear understanding of where physics is now – the challenges and the strengths in physics skills and science, and the impact physics is having on society. In 2025, we will establish 'health measures' for each of these areas, which will help us focus our efforts and track our impact, as well as key organisational KPIs. Together, these will inform an implementation plan for the next four years of our strategy.

Meanwhile, vital work is taking place against all our priority themes.

In **skills**, we will continue to push for solutions to the physics teacher shortage across UK nations and are planning a pivotal review of the recruitment, retention and retraining of physics teachers. Our Physics Inclusion Award will name its first awardees and our Eureka competition will once again invite young people to get creative with physics.

In **science**, with a UK Spending Review on the horizon, we will be setting out the significant challenges facing physics research as university departments and R&D investment both face cuts while making the urgent case to support UK physics to drive innovation and growth.

We will also be launching more deep-dive impact projects and pathfinders into key areas of the discipline, including space technology, AI and metamaterials, as well as progressing more detailed work on physics and the green economy.

In **society**, as the world celebrates the International Year of Quantum Science and Technology, the IOP is coordinating UK and Irish celebrations and making the case for this revolutionary technology to benefit everyone in our society.

We will be running a high-profile schedule of events and activity to maintain political momentum around quantum technology and engage the public in the stunning physics that powers it. And we will welcome the return of our character Mimi in our summer exhibitions in London and Dublin.

We will deliver all this in partnership with our members and IOP Publishing. We will continue to promote professional development and CPD for our members and engage more of them in the value they can get from the IOP. We will celebrate excellence with events for both our 2024 and 2025 award winners. And we will work ever more closely with IOP Publishing, coming together as a group to further scientific discovery and open up physics to the world.

**The Institute of Physics  
Trustees' Annual Report for the year ended 31 December 2024**

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**Structure, Governance and Management  
(including Reference & Administrative Details)**

**Constitution and Governing Document**

Tracing our roots back to 1874 and the Physical Society of London, but originally incorporated in 1920, The Institute of Physics (IOP) as currently constituted was established by Royal Charter (as subsequently amended) on 30 September 1970. This Royal Charter, which is supplemented by bylaws and regulations, is our governing document.

**Registered Details**

The IOP's registered name is The Institute of Physics and our principal office address is 37 Caledonian Road, London N1 9BU.

The IOP is a charity registered in both England and Wales (no. 293851) and in Scotland (no. SC040092) and is therefore regulated by both the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator. The Charity Commission for England and Wales is our lead regulator.

We have an existing application for registration as a charity in the Republic of Ireland and have submitted an Expression of Intent for registration as a charity in Northern Ireland. The IOP's application for registration as a charity in the Republic of Ireland may be reviewed once the new group entity "Institute of Physics of Ireland CLG" has been registered as a charity. Further information on the Institute of Physics of Ireland CLG is provided under the Group Corporate Structure section below.

**Banking Services and Professional Advisers**

Those providing banking services to the IOP Group are:

HSBC Bank PLC, 62 George White Street, Cabot Circus, Bristol, BS1 3BA

Details of the IOP Group's professional advisers are as follows:

**Independent Auditors**

PricewaterhouseCoopers LLP, 2 Glass Wharf, Temple Quay, Bristol, BS2 0FR

**Investment Advisers**

Hymans Robertson LLP, One London Wall, London, EC2Y 5EA

**Tax Advisers**

Deloitte LLP, 3 Rivergate, Temple Quay, Bristol, BS1 6GD

**Solicitors**

Eversheds Sutherland, 1 Callaghan Square, Cardiff, CF10 5BT

There is, however, no sole appointed solicitor or formal panel of solicitors.

**Internal Auditors**

Crowe UK LLP, 55 Ludgate Hill, London, EC4M 7JW

**Annual General Meeting**

Each year the IOP holds an Annual General Meeting, the rules of which are set out in the bylaws and regulations, at which all members are entitled to attend and vote. Membership fees and the appointment of the auditors are approved by the membership at the Annual General Meeting.

**The Institute of Physics  
Trustees' Annual Report for the year ended 31 December 2024**

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## **Structure, Governance and Management (continued)**

### **The Council (Board of Trustees)**

As set out in the Royal Charter, we are governed by our Council. This consists of trustees elected from, and by, the membership and up to three co-opted trustees who are appointed by the Council itself.

All members of the Council are trustees of the IOP. The Council has the ultimate responsibility for directing our affairs, ensuring that we are solvent, well-run and delivering the charitable outcomes for the benefit of the public for which the charity has been established. The Council sets and monitors our strategy which delivers these charitable outcomes.

Of the elected trustees, there are four senior officers and currently four vice-presidents. The senior officers are the President, President-elect, Honorary Secretary and Honorary Treasurer. The current four vice-presidents are for Business, Learning and Skills, Membership, and Science and Innovation. There are ten additional elected General Trustees.

Co-opted trustees are appointed as needed to bring additional skills and capabilities as required.

There are currently 19 trustees on the IOP Council (including one co-opted trustee).

The Council has also appointed a representative to advise it on equality, diversity and inclusion matters. The appointee is not a trustee or member of Council. Dr Clara Barker was appointed as the current representative from 1 October 2023 for a three-year term until 30 September 2026.

In addition, the Council has also appointed an independent Chair of the Audit & Risk Committee, Clare Minchington, who attends relevant Council meetings. She is also not a trustee or member of Council. She was appointed on 1 March 2024 for a four-year term until 28 February 2028, with the option to extend for a second four-year term.

The Council generally has four scheduled meetings per year, with ad-hoc meetings as needed. All trustees give their time voluntarily and are not remunerated for their work on behalf of the IOP beyond the reimbursement of reasonable expenses.

### **Elections to Council**

The rules governing the election of trustees are set out in the bylaws. At the start of each year, the number of vacancies that will arise that year is identified. With delegated powers from the Council, the Nominations Committee then evaluates the balance of skills, knowledge, experience and diversity of trustees and, in the light of that evaluation, prepares a description of the role and capabilities required for each particular vacancy on the Council. A notice of vacancies, along with role descriptions, is published and members are able to nominate themselves.

The Nominations Committee then assesses the nominations received from members to confirm eligibility and that candidates meet the skills and expertise sought. Where there is more than one nomination for any vacancy, a ballot takes place. Where there is only one nomination for any vacancy, that nominee is deemed elected, assuming they meet the eligibility, skills and expertise sought.

Trustees generally serve one four-year term. Exceptions to this are the President who serves a two-year term plus two years immediately preceding that as President-elect, and the Honorary Treasurer and Honorary Secretary who are eligible to stand for election for a second four-year term. A co-opted trustee will have a term of office as determined by the Council, but which may not (unless expressly authorised by the President in writing) exceed three years.

### **Induction and Training of Trustees**

Formal induction is given to all new trustees, who are invited to attend a meeting with the President, Treasurer and IOP staff as part of the induction process. Trustees are also provided with training on key topics of interest during their term of appointment. Induction training is also offered to trustees who are appointed by the Council to sit on the core governance committees.

**The Institute of Physics  
Trustees' Annual Report for the year ended 31 December 2024**

## Structure, Governance and Management (continued)

### Conflicts of Interest

Trustees have a duty to declare conflicts of interest so they can ensure they are taking decisions that are in the best interests of the IOP at all times.

We maintain a register of trustees' interests, which is updated annually by trustees and as any changes are reported.

Procedures are in place for managing conflicts of interest that may arise during Council meetings.

### Details of Trustees

Details of the trustees at the date of this report are as follows.

There are no corporate trustees or trustees holding property for the IOP.

Role	Name	Appointment Date	Retirement Date
President	Professor Sir Keith Burnett CBE FRS CPhys FInstP FLSW	1 Oct 2023	30 Sep 2025 <sup>1</sup>
President-elect	Professor Michele Dougherty CBE FRS FInstP FRAS FRSSAf	1 Oct 2023	30 Sep 2025 <sup>2</sup>
Honorary Secretary	Professor Alison McMillan CEng CPhys FInstP FIMechE FHEA	1 Oct 2021	30 Sep 2025 <sup>3</sup>
Honorary Treasurer	Professor David Delpy CBE FRS FREng CPhys FInstP FMedSci	1 Oct 2019	30 Sep 2027 <sup>4</sup>
Vice-President for Business	Professor Robert Lamb FInstP	1 Oct 2024	30 Sep 2028
Vice-President for Education and Skills	Dr Judith Hillier FInstP	1 Oct 2024	30 Sep 2028
Vice-President for Membership	Dr Elizabeth Cunningham MInstP FRAS	1 Oct 2021	30 Sep 2025
Vice-President for Science & Innovation	Professor Tara Shears FInstP	1 Oct 2023	30 Sep 2027
General Trustees	Rosalie Benjamin MInstP	1 Oct 2021	30 Sep 2025
	Professor Philip Burrows CPhys FInstP	1 Oct 2021	30 Sep 2025
	Dr Jane Clark CSci CEng CPhys FInstP FRAS	1 Oct 2023	30 Sep 2027
	Professor John Dainton FRS CPhys FInstP FRSA	1 Oct 2021	30 Sep 2025
	Dr Rebecca Dewey MPhys PhD CPhys MInstP	1 Oct 2024	30 Sep 2028
	Paula Knee CPhys MInstP	1 Oct 2024	30 Sep 2028
	Dr Hana Krizek MInstP	1 Oct 2023	30 Sep 2027
	Dr Peter Thompson FREng CEng FInstP FRSC	1 Oct 2022	30 Sep 2026
	Dr Melissa Uchida MInstP	1 Oct 2022	30 Sep 2026
	Jane Weir CSci CPhys MInstP	1 Oct 2021	30 Sep 2025
Co-opted Trustee	Dr Dermot Green MInstP	1 Oct 2024	30 Sep 2026

<sup>1</sup> Was President-elect from 1 Oct 2021 to 30 Sep 2023.

<sup>2</sup> To be President from 1 Oct 2025 to 30 Sep 2027.

<sup>3</sup> Eligible to stand for election for a second term.

<sup>4</sup> Elected in 2023 for a second four-year term.

**The Institute of Physics  
Trustees' Annual Report for the year ended 31 December 2024**

## **Structure, Governance and Management (continued)**

### **Details of Trustees (continued)**

Details of the trustees during the reporting period but who have now retired are as follows:

<b>Role</b>	<b>Name</b>	<b>Appointment Date</b>	<b>Retirement Date</b>
Vice-President for Business	Dr John Bagshaw CEng CPhys FInstP FRAeS	1 Oct 2020	30 Sep 2024
Vice-President for Education and Skills	Dr Lisa Jardine-Wright OBE CPhys FInstP	1 Oct 2020	30 Sep 2024
General Trustees	Professor Claudia Eberlein CPhys FInstP	1 Oct 2020	30 Sep 2024
	Professor Sir John Roy Sambles CPhys Hon.FInstP	1 Oct 2023	30 Sep 2024
Co-opted Trustee	Dr Yvonne Kavanagh CPhys MInstP	1 Oct 2022	30 Sep 2024

### **Trustee Evaluation and Skills Audit**

A trustee evaluation survey was undertaken in April 2024 and reported to Council in June 2024. This followed on from a similar survey undertaken in 2022 and 2023. Key strengths from this survey were mutual trust and openness; the chairing of Council meetings; clear minutes; Council being clear about the IOP's strategy; Council delegating effectively; reporting from committees being appropriate; and decision-making and communication with the Executive Team. Areas to address included length and clarity of papers; appropriate mix of background, skills, diversity and experience; understanding and resources; approach to diversity; and working as an effective team using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions

At the same time as the trustee evaluation survey, a trustee skills audit was also undertaken. Findings from this included that there were key strengths in further/higher education (including apprenticeships), outreach and engagement, strategic planning and policy. Skill areas to address included charity regulation, campaigns, fundraising, and legal and governance.

### **Trustee Code of Conduct**

All our trustees sign a Trustee Code of Conduct, last updated in 2023. This sets out the standards and practices expected of all our trustees, to ensure that the highest standards of integrity and stewardship are achieved; that the IOP is, and is seen as, effective, open and accountable; and that the working relationship between the trustees, employees, our members and volunteers is productive and supportive.

### **Bylaws**

In February 2024, the Privy Council approved changes to our bylaws which had previously been approved by our members at a Special General Meeting held in September 2023.

### **Regulations and IOP Code of Conduct**

In December 2024, we reviewed our Regulations and IOP Code of Conduct.

**The Institute of Physics  
Trustees' Annual Report for the year ended 31 December 2024**

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## **Structure, Governance and Management (continued)**

### **Decision-making and delegations**

Key strategic decisions affecting the IOP are made by Council but, in the interests of good governance and efficient management, it delegates consideration of matters in specialist areas to its committees under agreed terms of reference. It also delegates powers for executive and management decisions through the IOP Scheme of Delegation. Details of the committees and senior management team are provided on the following pages.

### **Committees**

The Council has a number of committees with delegated powers, ensuring that the required time and attention is applied to overseeing specific areas of interest. The terms of reference, delegated powers and membership of these committees are set by the Council. Committee membership is not limited to trustees, allowing for both wider representation from the membership and receipt of specialist external advice where appropriate.

The formal governance committees as at 31 December 2024 are set out on the following page and are marked in red.

### **Council's Member Reference Group**

The Council's Member Reference Group (CMRG) was established in 2022, following the 2021 Governance Review where Council expressed a desire to hear more directly from the membership on matters that impact them and therefore increase the opportunity for two-way conversations. The CMRG held two meetings in 2024, addressing matters including professional registration and CPD, developing the IOP's relevance in a changing skills and employment environment, and the IOP strategy and member survey. It is made up of representatives from the IOPs Groups, Nations and Branches, and diverse membership groups including Women in Physics, Retired Members and the Physical Sciences LGBT+ Network.

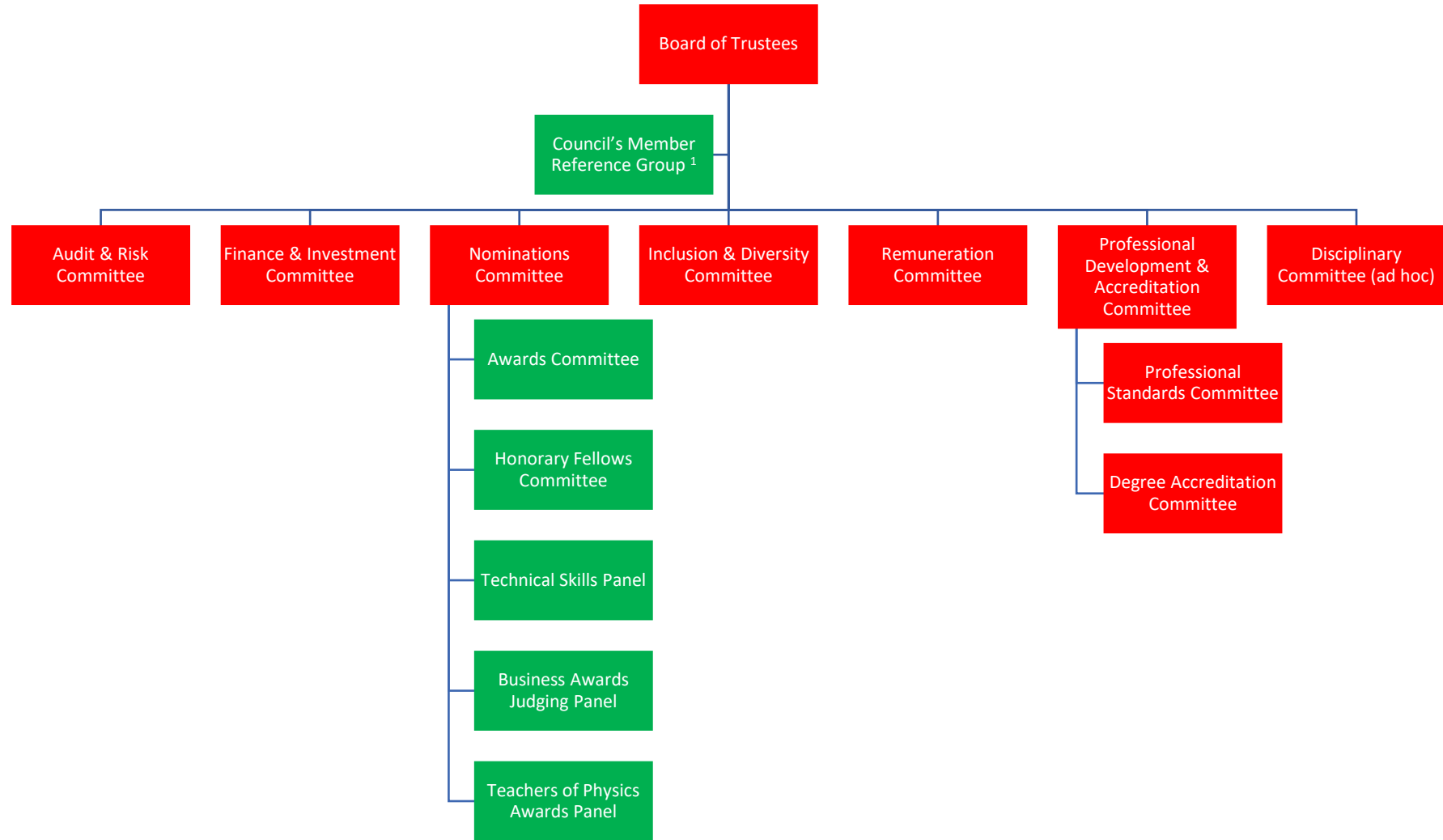
In 2024, the CMRG was chaired by Michele Dougherty, President-elect.

In 2025, the IOP will introduce a new meeting format designed to enhance transparency, communication and collaboration between Council and the member networks. These meetings will be strategically linked to Council meetings, ensuring timely consultation and engagement with members in decision-making. While this format will evolve based on feedback, it aims to streamline discussions and improve alignment and contributions with strategic objectives. We will also continue to ensure member network committees have a clear platform to share perspectives and inform Council's decisions.

**The Institute of Physics  
Trustees' Annual Report for the year ended 31 December 2024**

**Structure, Governance and Management (continued)**

**IOP Council and Committee Structure**



Formal governance committees are shown in red.

<sup>1</sup>New meeting format to be designed for CMRG in 2025.

**The Institute of Physics**  
**Trustees' Annual Report for the year ended 31 December 2024**

## Structure, Governance and Management (continued)

### Executive Management

The day-to-day management of the IOP Group's activities is delegated to the Group Chief Executive Officer, supported by an executive management team.

The day-to-day management of publishing activities is delegated to the Chief Executive of IOP Publishing Limited. This has its own board of directors and a number of subsidiary undertakings that support the delivery of the publishing programme.

The Group Executive Management Team in 2024 and to the date of this report was:

Role	Name
Group Chief Executive Officer	Tom Grinyer
Group Chief Financial Officer	Sukhraj Dhadwar FCCA
Deputy Chief Executive, IOP	Rachel Youngman (Until 1 March 2024)
Interim Director of People and Organisational Development, IOP	Andrea Barber (From 13 March 2024 until 28 February 2025)
Director of People and Operations, IOP	Andrea Barber (From 1 March 2025)
Director of Policy and Public Affairs, IOP	Tony McBride
Director of Science, Innovation and Skills, IOP	Louis Barson
Chief Executive, IOP Publishing Limited	Antonia Seymour

### Remuneration of the Group Executive Management Team

The pay and remuneration of the Group Executive Management Team is set and monitored on behalf of Council by the Remuneration Committee. This comprises the President, President-elect, Honorary Secretary, Honorary Treasurer and separately appointed external advisors. Each year, the Committee commissions relevant external benchmarking information from appropriate sectors to support its decision-making and, when necessary, takes additional advice from specialist organisations. Please see note 10 to the Financial Statements for further information.

### Group Corporate Structure

The IOP has a number of subsidiary undertakings, as outlined below and in the following structure chart.

To ensure clarity and appropriate governance, there are a number of agreements in place that define and describe the provision of intra-group services.

The main trading subsidiary undertaking of the IOP is IOP Publishing Limited (commonly known as IOPP).

IOPP is a wholly owned subsidiary of the IOP and is incorporated in England and Wales. Its principal activity is the publication and distribution of high-quality scientific journals, books, conference proceedings and scientific news services.

IOPP has a number of further trading subsidiary undertakings as follows:

#### IOP Publishing Consultants (Beijing) Co. Limited

IOP Publishing Consultants (Beijing) Co. Limited is a wholly owned subsidiary of IOPP and is incorporated in China as a wholly foreign-owned enterprise (WFOE). Its principal activity is to provide services to IOPP, including publishing consulting, electronic technology consulting, business consulting, market information consulting and corporate management consulting.

#### IOP Marketing and Promotion Services Private Limited

IOP Marketing and Promotion Services Private Limited is 99.99% owned by IOPP, with the remaining 0.01% of share capital owned by the IOP.

Incorporated in India, its principal activity is promotion and marketing services for IOPP.

**The Institute of Physics  
Trustees' Annual Report for the year ended 31 December 2024**

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**Structure, Governance and Management (continued)**

**Group Corporate Structure (continued)**

**Turpion Limited**

Turpion Limited is a wholly owned subsidiary of IOPP and is incorporated in England and Wales. The principal activity of Turpion Limited is still under review.

**Turpion-Moscow Limited**

Turpion-Moscow Limited is incorporated in Russia and is a wholly owned subsidiary of Turpion Limited. This entity is no longer active.

**IOP Publishing Moscow LLC**

IOP Publishing Moscow LLC is 99% owned by IOPP and 1% owned by Turpion Limited. This entity is no longer active.

The formal liquidation of Turpion-Moscow Limited and IOP Publishing Moscow LLC commenced in 2024. The IOP Group appointed a local professional services firm to administer the liquidation process and the IOP Group will comply with all applicable sanctions throughout this process. The liquidation is expected to be completed during 2025.

IOPP has a branch in Japan which is non-incorporated.

The IOP also has the following trading subsidiary undertakings:

**IOP Publishing Inc.**

IOP Publishing Inc. is a not-for-profit corporation of which the IOP is the sole corporate member. Incorporated in the USA, its principal activity is to provide publishing services to IOPP. All such services are provided solely in support of our charitable and educational activities.

**IOP Business Publishing Inc.**

IOP Business Publishing Inc. is a wholly owned subsidiary of IOP Publishing Inc. and is incorporated in the USA. Its principal activity is to provide advertising-sales services.

With the exception of IOP Marketing and Promotion Services Private Limited and IOP Publishing Moscow LLC, all companies are wholly owned subsidiaries of their immediate holding company.

**IOP Enterprises Limited**

As part of our plans to diversify our income to ensure that it achieves the funding requirements to deliver our new strategy, IOP Enterprises Limited became active in July 2024. It carries out trading activities relating to events, catering and room hire, with any taxable profits being paid to the IOP under the Gift Aid scheme.

**Institute of Physics of Ireland CLG**

In December 2024, the Institute of Physics of Ireland Company Limited by Guarantee (no. 778280) was created and incorporated in the Republic of Ireland. This is a wholly owned subsidiary of IOP and has been created with the intention to register it as a charity. Although it is currently not trading, when the charity registration is complete, it will have the same charitable objects as IOP.

**IOP Educational Publishing Limited**

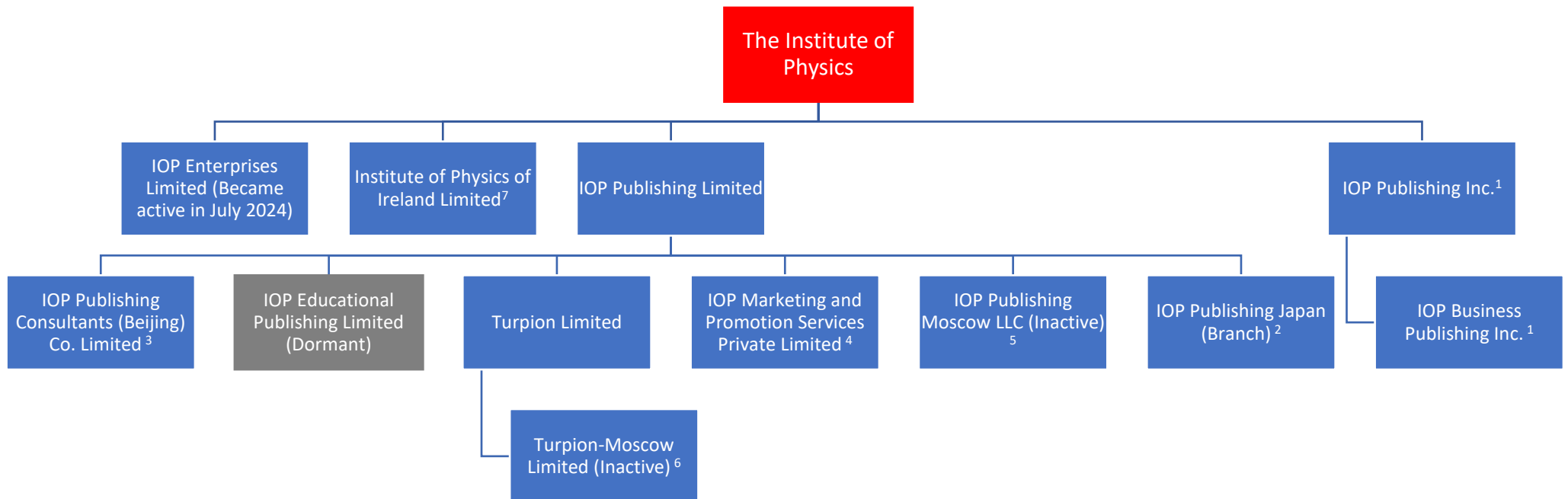
This is a further subsidiary undertaking which is currently dormant.

**The Institute of Physics**  
**Trustees' Annual Report for the year ended 31 December 2024**

**Structure, Governance and Management (continued)**

**Group Corporate Structure (continued)**

**IOP Group Corporate Structure**



<sup>1</sup> Incorporated in USA

<sup>2</sup> Japanese branch (non-incorporated)

<sup>3</sup> Incorporated in China

<sup>4</sup> Incorporated in India (99.99% owned by IOPP and 0.01% by IOP)

<sup>5</sup> Incorporated in Russia (99% owned by IOPP and 1% owned by Turpion Limited)

<sup>6</sup> Incorporated in Russia

<sup>7</sup> Incorporated in the Republic of Ireland

**The Institute of Physics  
Trustees’ Annual Report for the year ended 31 December 2024**

**Structure, Governance and Management (continued)**

**Risk Management and Internal Audit**

**Risk Management**

The Council retains overall responsibility for risk management and discusses and decides the level it is prepared to accept for specific and combined risks.

The Audit & Risk Committee reviews the IOP Group risk appetite, tolerance and strategy as articulated by the Council; helps the Council and the Executive to identify major areas of risk for the IOP Group; and reviews and assists the Council and the Executive in the development of processes to manage risk in those areas.

We maintain a register of significant risks and systems to control and manage those risks.

The Audit & Risk Committee reviews the Risk Register, along with the plans and processes in place to manage and mitigate major risks, and then reports to Council. Council separately reviews the register on a periodic basis.

<b>Risk Description</b>	<b>Risk Consequence</b>	<b>Controls, Action, Mitigation</b>
A model of publishing is widely adopted where publishers are not adequately compensated for their services	Material reduction in gift aid receipts from IOPP	Strategy in place to become an open-first publisher; investing in providing quality peer review that creates customer value; staying alert to alternative publishing models and exploiting emerging opportunities; advocating for the work publishers are doing through thought leadership and industry initiatives; diversifying revenue streams
University/library budgets significantly reduced leading to a reduction in content and revenue	IOPP’s journal article output contracts when article growth is critical to the strategy. Universities and their libraries struggle to afford to pay for our products and services leading to downward pressures on pricing	Protection of journal revenue through greater penetration of read and publish (Transformative) agreements with flexible offerings, close monitoring of usage, value-for-money and close engagement with library customers and end-users; competitive publishing services with a clear value proposition to attract submissions from authors; broad university/library engagement
Government policy disrupts scholarly communication meaning there is less research output available to publish	Material reduction in article volumes and revenue	Strengthening local regional presence and brand of the IOP and IOPP; building close relationships with thought leaders at key national and international institutions and government agencies; gaining greater insights into customers (better data collection and engagement platforms) in order to identify, attract and retain new customers; developing a strong competitive customer value proposition; reviewing international operating model to ensure agility across borders
The long term strategy and investment in IOPP does not deliver the return on investment	Adverse impact on profits and free cashflow of the group	Strengthening project and change management process including business cases with ROI projections for each major investment initiative and regular re-prioritization of project work; careful selection of technology partners including conducting proof of concepts before committing to large investment; clear and differentiated value proposition for authors citing our purpose over profit; encouraging greater uptake of OA by proactively agreeing read and publish (Transformative) agreements and ensuring we can operationally scale

**The Institute of Physics  
Trustees’ Annual Report for the year ended 31 December 2024**

**Structure, Governance and Management (continued)**

**Risk Management and Internal Audit (continued)**

**Risk Management (continued)**

Risk Description	Risk Consequence	Controls, Action, Mitigation
Significant reduction in value of savings and investments	The IOP would need to reduce or delay expenditure and take funds from operational budgets	Use of specialist investment advisors; investment approach regularly reviewed; risk-based diversified investment approach adopted to reduce risk to reserves
The IOP are unable to achieve funding requirements to deliver the strategy and operational business	We would be unable to support our full strategy as there would be a potential funding shortfall	Business Development Group agreed multi-year fundraising target to achieve fundraising strategy; fundraising programme in place focusing on individual giving, trusts and foundations, competitive contracts and legacies; Income Diversification Strategy in place; survey of potential corporate partners undertaken to identify key targets and likely topics of interest based on strategy; new IOP strategy launched with new target operating model and structure
There is a material security breach of the digital estate (websites and public-facing online services) or an attack of critical digital infrastructure systems	Loss/corruption/exposure of employee and member data; loss of confidential business data; business critical applications unavailable; reputational damage; contractual breach; legal/regulatory fines; system restoration costs; productivity loss; websites and online services unavailable; use of IOP digital estate to spread viruses to member machines; use of IOP virtual AWS servers for other purposes (e.g. crypto mining)	Firewalls in place; websites hosted using a cloud-hosted service with daily data backups in place; site recovery in place and tested; password policies and multi-factor authentication in place; password management system used; software update plan in place including patching; decommissioning custom modules; cybersecurity audits carried out; removal of technical debt; vulnerable websites closed; digital team strengthened; 24hr support across digital estate in place via an agency; support agencies are cybersecurity certified; external managed detection and response solution in use
Reputational damage caused by research integrity incidents including the delisting of journals	The organisation’s reputation as a trusted voice is damaged and/or it triggers legal action that results in substantial reputational and financial loss	Investment in peer review and research integrity resources and capabilities (including technology); robust processes, including access to professional legal advice and membership of industry bodies, e.g. Committee on Publication Ethics (COPE); stakeholder management approach to relevant media and whistleblowing community

**The Institute of Physics**  
**Trustees' Annual Report for the year ended 31 December 2024**

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## **Structure, Governance and Management (continued)**

### **Internal Audit**

Crowe UK LLP undertakes the internal audit programme for the IOP Group, assessing key controls and undertaking audits based on key risks and other ad-hoc matters where an audit is considered appropriate. We operate a three-year audit programme, reviewing this on an annual basis to ensure that it continues to remain appropriate.

### **Our Commitment to Equality, Diversity and Inclusion**

#### **The IOP**

We believe firmly in equality of opportunity for all, confronting barriers to inclusion and participation wherever we encounter them. These core values are an expression of what we believe in and how we behave as an organisation. Our programmes are founded on the principles of Equality, Diversity and Inclusion (EDI), from our organisational values and strategy to our work in schools and with the public, and in our policy initiatives. From the Council and the senior leadership throughout the organisation, there is a deep-seated commitment to ensuring our physics community reflects the wider diversity we see in society and the significant value that brings to physics, the workplace and society.

We are delighted that, for the third year in a row, we have maintained a Bronze award for our EDI practice through the Employers Network for Equality and Inclusion, using their TIDE evaluation. This is an external evaluation of our EDI practice and activity, and places us third in our sector. We continue to focus on improving our approach to diversity and inclusion as an employer and have introduced new policies – such as the Equality, Diversity and Inclusion Policy – as well as having several others under review.

Through 2024 we have continued to engage with our staff networks and share knowledge and development opportunities. We also have a new Executive Chair for our staff-driven Equality and Diversity Action Group, which will set our internal EDI agenda for 2025.

The new Physics Inclusion Award launched in April 2024, following a successful pilot of the award in which 11 universities across the UK and Ireland tested the criteria and new online platform.

The award, which has been co-created with the physics community, considers EDI more widely to encompass the broader range of challenges now facing the physics community within higher education. We have also engaged with Advance HE who run the Athena SWAN Charter to maintain alignment and continue to ensure gender equality efforts are maintained. A new peer assessment panel has been populated following applications from people in both academia and industry, and the first assessment panel for the Physics Inclusion Award took place in March 2025.

Project Juno was successfully closed in June 2023, 15 years after its launch. During that time, over 50 university departments engaged with Juno and significantly progressed gender equality. We have also had support from many IOP members who have been part of the Juno Panel in the peer review process. We held a celebration of Project Juno in March 2024 and are currently undertaking a full review to understand its impact.

We continue to build and maintain partnerships to work with colleagues, members, the wider physics community and, through our Limit Less campaign, organisations in society to ensure that everything we deliver is truly inclusive.

You can find the document setting out the importance of EDI to physics on our website at: [The importance of equality, diversity and inclusion in physics | Institute of Physics \(iop.org\)](#)

You can find out more about the new Physics Inclusion Award, which has replaced Project Juno, on our website at: [Physics Inclusion Award | Institute of Physics \(iop.org\)](#)

**The Institute of Physics  
Trustees' Annual Report for the year ended 31 December 2024**

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**Structure, Governance and Management (continued)**

**Our Commitment to Equality, Diversity and Inclusion (continued)**

**IOPP**

IOPP is dedicated to building EDI into our identity in a way that is natural and sustainable, and visible through the work produced, company branding, professional networks and communities we serve and support.

In 2024, IOPP furthered our commitment to EDI by advancing initiatives among colleagues and reviewers, authors and editorial board members.

To foster a more inclusive and supportive workplace, IOPP has established six Employee Resource Groups (ERGs). These groups – Cultural Diversity, LGBTQIA+, Neurodiversity and Disability, Women in IOPP, Parents and Carers, and Faith – promote EDI awareness, education and policy updates. Nearly 20% of IOPP's workforce are members of one or more ERG and in 2024, 43 EDI and wellbeing events were hosted for colleagues.

To address bias and discrimination in published research and promote inclusive practices, IOPP continues to use Guidelines on Inclusive Language and Images in Scholarly Communication developed by The Coalition for Diversity & Inclusion in Scholarly Communications (C4DISC). IOPP is represented in EDI-focused committees and working groups in C4DISC, STM, the Publishers Association and Research4Life. This ensures that IOPP has a voice in the creation of new best practice and the development of industry standards. It also gives the IOP an opportunity to showcase IOPP's work on inclusion.

The many transformative agreements we have in place with institutional customers globally not only offer a sustainable and effective path to achieving open access, but also allow early-career researchers and researchers from lower-funded disciplines and lower research-intensive institutions to benefit from the increased reach, usage and impact of open access publishing.

IOPP remains committed to increasing the representation of female board members on our peer review managed journals while also bringing down the overrepresentation of board members from the USA and UK. Towards this aim, we have produced a benchmarked board member diversity report. This data provides a resource that will help publishers promote board member diversity on their editorial boards.

From 2021 to March 2024, IOPP trialed the use of Sex and Gender Equity in Research (SAGER) Guidelines on our partner journal, *Physiological Measurement* (PMEA). The SAGER Guidelines were developed by a large team of scientists in response to research that shows that sex and gender differences are often overlooked in research design, study implementation and scientific reporting. IOPP has continued mandatory reporting of sex and gender on the journal since and commenced a new trial on *Journal of Neural Engineering* (JNE) in February 2025.

IOPP allows researchers from countries with lower-middle income economies, as categorised by the World Bank, to publish open access in any of our journals for a flat charge of £500. Researchers from countries with low-income economies can publish open access for free in any of IOPP's fully open access or hybrid open access journals. This Article Publication Charge (APC) discount and waiver policy acknowledges the importance of author choice and constitutes another step toward greater inclusivity for researchers who might otherwise not be able to contribute to the global body of openly accessible research.

**The Institute of Physics**  
**Trustees' Annual Report for the year ended 31 December 2024**

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## **Structure, Governance and Management (continued)**

### **Environmental Responsibility**

#### **The IOP**

At the IOP we recognise our environmental responsibilities and commitment to reducing environmental damage locally, nationally and globally. We are focused on four main areas of compliance: waste and energy reduction; personal responsibility; the role of physics to provide solutions; and meeting emission targets. Ultimately, we are seeking to reduce the IOP's emissions to as close to net zero as possible, as quickly as possible.

We are also raising awareness of how activities and choices of individuals and other organisations carry an impact on the environment. We advise and support what they might consider doing to mitigate this impact. We want to lead the way and highlight what physics can do to help make buildings more efficient. Data captured on our own energy usage is shared through our education partners to help future planning and development in this field. We work with our stakeholder organisations to influence positive environmental change and support organisations which are proactively being sustainable.

Our Environmental Statement can be found at: [www.iop.org/environmental-statement](http://www.iop.org/environmental-statement)

#### **IOPP**

IOPP's Sustainability Taskforce drives all our sustainability activities. Made up of colleagues from all levels across the organisation, it advocates for sustainable practices and raises awareness among colleagues, suppliers and other stakeholders.

To assess the sustainability of its supply chain, IOPP gathers information on our suppliers' sustainability activities and environmental management systems, and obtains primary data on the Scope 1 and 2 emissions that contribute to IOPP's corporate carbon footprint. On an annual basis, with the support of ClimatePartner, IOPP calculates our full corporate carbon footprint (including Scope 3) to identify emission hotspots and drive activities to actively reduce impact. On the back of this work, IOPP ceased providing print copies of research journals to the few remaining customers that took them, eliminating emissions from both their manufacture and distribution. IOPP achieved a significant reduction in emissions due to our move to more sustainable offices in 2023. In 2024, in conjunction with ClimatePartner, we have created a Net Zero scenario model that enables us to track progress against Science Based Targets Initiative (SBTi) aligned targets and model implications of business decisions.

IOPP continues to work with DIMPACT, an industry-wide initiative that helps to bring into view emissions from the point of digital content production right through to the end user. The outcome of this work will help us to reduce emissions associated with the provision and use of digital products and evolve our sustainability strategy.

Through a series of established environmental journals, IOPP publishes research that addresses some of the world's most critical issues and delivers solutions for sustainability development in line with the United Nation's Sustainable Development Goals (SDGs). In 2024, IOPP's Environmental Research series has grown with the addition of another new journal: *Environmental Research: Water*. The series now includes ten open access journals, covering a range of environmental topics. During 2024, IOPP also launched *Sustainability Science and Technology*, a multidisciplinary open access journal set to bring together researchers from science, technology and engineering in a shared vision for a more sustainable planet. IOPP's freely accessible Sustainability Collection brings all our SDG-related content together into a central place, with an intuitive search that enables readers to filter by SDG and by year.

IOPP works within the wider industry and contributes to initiatives supporting others to further progress the SDGs within academic publishing, e.g. the STM SDG Sustainability Roadmap.

IOPP's Environmental Statement is available at [IOPP Environmental Policy](#).

**The Institute of Physics  
Trustees' Annual Report for the year ended 31 December 2024**

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**Structure, Governance and Management (continued)**

**Gender Pay Gap Reporting**

The IOP does not have a statutory requirement to report on gender pay but, as part of our commitment to gender equality, we have undertaken the assessment. IOPP, meanwhile, continues to meet its statutory requirement to report on the matter.

**The IOP**

This is the sixth year we have made a voluntary declaration of our gender pay gap. As an organisation with fewer than 250 employees, we choose to make a voluntary declaration to set an example, hold ourselves to account and learn where we can do better.

This year, our mean gender pay gap is 13.4%, down significantly from 19.6% in 2023 and our median gender pay gap is 5.8%, down from 10.1% in 2023. While our analysis shows clearly that female and male employees in the same roles are paid equally, the gender pay gap is because we have proportionally more female than male employees in the lower salary quartile and proportionally more male than female employees in higher paid roles in the upper salary quartile.

The relatively small size of our organisation, and therefore the small sample sizes involved, mean we have to be cautious about drawing conclusions from the data. However, it gives us a snapshot of where we are now, helps us see what drives any differences and shows us areas we can target to improve in the future. Although we have made significant improvements this year in both the mean and median pay gap, we want to do better, and our ambition is to achieve gender pay parity.

**IOPP**

At IOPP, we are proud to celebrate difference and want everyone to thrive and achieve their potential. This ambition is brought to life through our Diversity, Equity and Inclusion (DE&I) strategy which outlines, through our seven strategic pillars, the ways we are working to make our organisation a brilliant place to work. We act with integrity and are open and honest about where we are in our journey as an organisation. Our focus in 2024 was to continue to appoint women into senior roles and to make IOPP a more diverse and inclusive organisation for everyone.

We are pleased to report that our mean pay gap decreased by 1.4% from 15.5% in 2023 to 14.1% in 2024. This decrease can be attributed to the appointment of more women into our upper quartile, where we are pleased to report we now have equal numbers of men and women. We continue to be an attractive employer for women and have seen an increased appointment of women across all quartiles in 2024. This has affected our median pay gap which has increased by 0.4% from 11.6% in 2023 to 12.0% in 2024.

We are proactive in identifying and reflecting on our challenges and successes. We work inclusively to ensure fair treatment and opportunities for staff of all genders, developing actions to improve our gender equality work. Our Women at IOPP Employee Resource Group (ERG) is focusing on the theme Women in Leadership this year and partnering with Everywoman to provide access to learning and development content designed specifically to support women to succeed within the workplace. We have also worked closely with our Family & Carers ERG to improve the experience of women taking, and returning, from maternity leave. In 2025, this will continue to focus on policy development including our neonatal leave provision.

Our 2024 engagement survey results show that 71% of our staff have a positive engagement with DE&I across the IOPP and more than 90% of both women and men agree that IOPP is an equal opportunity employer and trust the organisation to be fair to all employees. We acknowledge these positive indicators; however we know we still have work to do across our gender pay gap.

**The Institute of Physics  
Trustees' Annual Report for the year ended 31 December 2024**

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## **Structure, Governance and Management (continued)**

### **Anti-Slavery and Human Trafficking**

The IOP Group is committed to prohibiting all forms of slavery and human trafficking in any part of our business, including in all supply chains. The IOP Group has a diverse supply chain, including suppliers of IT, print and editorial services, office equipment, catering services, building services, temporary recruitment services, and accommodation and venue facilities.

Our Anti-Slavery and Human Trafficking Policy reflects our commitment to acting ethically and with integrity in all business relationships. We also implement and enforce effective systems and controls to prohibit slavery and human trafficking in our supply chains and business.

To ensure that all companies in our supply chain comply with all obligations on anti-slavery and human trafficking, all relevant suppliers are issued with, and agree to comply with, our Anti-Slavery and Human Trafficking Policy, and/or appropriate obligations are included in contracts with them. Those obligations allow the IOP to secure assurances that those suppliers have appropriate measures in place in relation to their own business and supply chains, and commit to complying with all relevant legislation and codes of practice.

To ensure awareness and understanding across the group, staff are required to complete an on-line training course on our approach to anti-slavery and human trafficking, and in-person training is provided for staff working in potentially higher risk areas.

### **Anti-Corruption and Bribery**

We support and have an on-going commitment to carrying out our business fairly, honestly and openly.

We maintain policies and procedures to prevent bribery and, in particular, have implemented a Group Anti-Corruption and Bribery Policy. We also have procedures and controls over expenditure, accounting, commercial activities and agent contracts to manage all forms of bribery and corruption risk.

As part of our zero-tolerance approach to bribery and corruption, we ensure that measures are in place so staff and third parties understand what is and is not permitted. As part of our induction programme, for example, we require new staff to complete a mandatory e-learning module on bribery and corruption to enhance awareness and help deter bribery. As part of our due diligence procedures when contracting with key suppliers, we require them to commit to comply with all applicable bribery legislation and, where relevant, review their policies in this area.

We maintain whistleblowing procedures for staff to report any allegations of wrongdoing and provide an integrated range of routes through which staff may report concerns.

### **Fundraising**

Section 162A of the Charities Act 2011 (as inserted by the Charities (Protection and Social Investment) Act 2016) requires charities of a certain size to make a statement regarding fundraising activities in their Annual Report. To show our commitment to fundraising in line with the Code of Fundraising Practice, the IOP is registered with the Fundraising Regulator.

Our fundraising activities support and further our charitable purpose. We raise funds from different streams including individuals (members and non-members of the IOP), trusts, foundations and corporations. We also have a legacy programme and seek gifts in wills.

Our fundraising activities are carried out by our in-house Development Team, whose work is overseen by the Business Development Group. We take a risk-based approach and seek the Business Development Group's approval on every fundraising opportunity. We do not use professional fundraisers or commercial participators to fundraise on our behalf, though we may on occasion work with external consultants to input into our fundraising and commercial strategies.

**The Institute of Physics**  
**Trustees' Annual Report for the year ended 31 December 2024**

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## **Structure, Governance and Management (continued)**

### **Fundraising (continued)**

We take our responsibilities on managing personal information seriously and strive to ensure that our policies and procedures meet legal requirements and donors' expectations. When seeking donations from members, we only contact those who have opted in to receiving such communications. We also have safeguarding measures in place to help us protect young people and vulnerable adults.

We did not receive any complaints concerning our fundraising activities in the financial year.

### **Statement of Trustees' Responsibilities**

Members of Council (who are the trustees of the IOP) 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 (GAAP)).

The law applicable to charities in England and Wales and in Scotland 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 the Group, and of their incoming resources – and application of those resources – for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**The Institute of Physics  
Trustees' Annual Report for the year ended 31 December 2024**

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## **Financial Review**

### **Financial Statements**

The financial statements for the year ended 31 December 2024 are set out on pages 39 to 81. They were prepared applying accounting policies in accordance with UK GAAP, and comply with the Statement of Recommended Practice, Accounting and Reporting by Charities SORP (FRS 102).

### **The IOP Group**

The IOP considers incoming resources, resources expended and Gift Aid remitted from our subsidiaries to be key performance indicators.

Our total Group incoming resources in the year increased by £10.4m to £82.4m (2023: £71.9m). The key driver for this was a £10.4m increase in income from scientific publications to £75.1m (2023: £64.7m) in relation to the activities of IOPP. Some 93% (2023: 92%) of our incoming resources are generated from the activities of IOPP. Our income from donations and legacies in 2024 experienced a £1.0m decrease to £0.08m (2023: £1.1m) because we did not receive an equivalent to the large legacy that was received during 2023. During 2024, our income from investments experienced a £0.5m increase to £1.4m (2023: £0.9m) which reflects a concerted effort within the Group to maximise returns on available cash balances through the use of fixed-term deposits and similar short-term interest-generating cash accounts.

Our total Group resources expended in the year increased by £5.8m to £83.8m (2023: £78.0m). The key driver for this was the increase in expenditure in IOPP, included within expenditure on scientific publications, on activities to support the IOPP's increased income.

Further details are included in the consolidated statement of financial activities on page 39. The IOP's balance sheet is included on page 41.

Our overall Group net asset position has increased by £3.4m to £77.8m (2023: £74.4m). The key drivers for the movement in the net asset position are set out below.

We made significant investments in systems during 2023 to support the transition to open access in the publishing business. These systems have been in use throughout 2024 and therefore the amortisation charge for the year is the key driver for the reduction in our total intangible fixed assets to £7.3m (2023: £9.6m). Further details of our intangible fixed assets are provided in note 14.

During 2024, the value of our investment portfolio increased by £3.1m to £28.4m (2023: £25.3m). This includes equity, growth and property funds, all of which generated a net unrealised gain in 2024. Further information on our investments is provided in note 17.

Our total Group debtors have decreased by £7.1m to £20.3m (2023: £27.4m). The key driver for this overall decrease is a reduction in trade debtors as a result of stronger cash receipts from customers in the final months of 2024 in comparison to the prior year.

Our Group cash position has improved by £5.9m to £29.5m (2023: £23.6m), which is driven primarily by the strong customer cash receipts referenced above.

Deferred revenue remains a key balance and this has increased by £0.2m to £28.2m (2023: £28.0m), driven by the journals subscriptions renewals activity in IOPP.

Our defined benefit pension scheme continues to be in a surplus position at 31 December 2024 (2024: £5.0m, 2023: £0.09m). During 2024, the IOP made a £3.2m contribution to the defined benefit pension scheme which has contributed to the improvement in its position. In addition, the present value of the liabilities of the scheme have decreased from £76.3m at 31 December 2023 to £67.5m at 31 December 2024 due to a higher discount rate driven by an increase in corporate bond yields.

**The Institute of Physics  
Trustees' Annual Report for the year ended 31 December 2024**

## **Financial Review (continued)**

In the year ended 31 December 2021, we made a provision within the defined benefit pension scheme valuation to allow for the uncertainty over the effective date of equalisation of the Normal Retirement Age of the scheme. Further investigation since 2021 has reduced the scope of the Normal Retirement Age equalisation issue such that the total expected liability as at 31 December 2024 remains at £1.9m (2023: £1.9m). Further information on the defined benefit pension scheme, including details of assumptions used, is provided in note 23.

Further commentary on the activities of the IOP and IOPP is provided below.

The trustees have concluded that the Group is a going concern and these financial statements have therefore been prepared on that basis. The performance of the Group in 2024 and the improvement in the net asset position at the end of 2024 support the trustees' conclusion.

### **The IOP**

During 2024, 69% of our total income was generated from Gift Aid from our publishing subsidiaries (2023: 72%). The value of this Gift Aid income decreased by £2.8m to £12.5m (2023: £15.3m) which contributed to the overall £3.1m reduction in our total incoming resources to £18.2m (2023: £21.3m). Changes in the profit profile at IOPP, which are in line with the expectations under IOPP's strategy, have resulted in this reduction in Gift Aid income.

Our other sources of income include donations and legacies, income from members either as membership fees or for additional services, grants from government and other grant-awarding bodies, and investment income. During 2024, our income from donations and legacies experienced a £1.0m decrease to £0.08m (2023: £1.1m) because we did not receive an equivalent to the large legacy that was received during 2023. Our investment income represents rental income from Group entities, dividend income from our investment portfolio and interest income from our cash holdings. During 2024, our income from investments experienced a £0.2m increase to £1.6m (2023: £1.4m) driven primarily by an increase in interest income from our cash holdings.

Our total resources expended in the year decreased by £0.8m to £19.8m (2023: £20.6m). This reduction in costs was primarily generated through prioritisation exercises and proactive cost reductions, offset by the impairment losses of £0.3m (2023: no impairment loss) on the unoccupied property and £0.2m (2023: £0.6m impairment loss) on the freehold property respectively, as set out in note 15.

### **IOPP**

During 2024, our total turnover increased by £10.2m to £77.1m (2023: £66.9m). One of the key drivers for the increase in turnover was the 24% year-on-year growth in published articles (2024: 36,011; 2023: 28,977) which resulted in an increase in revenue from article publication charges (APC).

Our gross profit margin for 2024 has remained relatively consistent with the prior year at 92.1% (2023: 91.3%) and our operating profit margin has improved to 14.8% (2023: 11.6%). The investments made in 2023 in support of IOPP's strategy resulted in a higher cost base going into 2024, however the growth in revenues in 2024 has resulted in an improved net profit margin year on year.

We pay all our taxable profits for the reporting year to the IOP under the Gift Aid scheme. Gift Aid is paid to the IOP during the year in which the profits accrue, to the extent that we have the available distributable reserves and cash balances to do so. During the year ended 31 December 2024, we paid a total of £11.9m (2023: £14.8m) of Gift Aid to the IOP, which represents £9.7m in relation to taxable profits that have accrued in the year to 31 December 2024 and £2.2m in relation to the final Gift Aid payment for the year to 31 December 2023.

**The Institute of Physics  
Trustees' Annual Report for the year ended 31 December 2024**

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## **Financial Review (continued)**

### **Reserves and investment**

The charter and bylaws confer power on the IOP to maintain income reserves. Council reviews at least annually both the IOP's continuing need for reserves and their appropriate level. The reserves policy set out below is based on, and is consistent with, guidelines on the subject issued by the Charity Commission.

The strategic reasons for the IOP to retain reserves, rather than simply spend all our income as it arises, are, as stated in our Investment Policy:

- to be able to make short- and medium-term expenditure commitments without the risk of short-term fluctuations in income forcing reduction in, or cancellation of, planned activity;
- to reduce the level of dependence on income from publishing; and
- in the event of a material and sustained fall in income from other sources, to provide sufficient reserves to enable the IOP to make the changes in our organisation and activities necessary to respond to this in an orderly and planned way.

The overall investment objectives of the IOP are to achieve a minimum net total return of 12-month LIBOR (London Interbank Offered Rate) +3.5%, after payment of fees over rolling three-year periods, using a diversified strategic asset allocation approach to minimise the risk for this level of return.

During the year, the investment portfolio held by the IOP generated an unrealised gain to the Group of £2.3m (2023: £1.2m). The IOP actively manages the investment portfolio we hold.

During 2024, we reviewed and updated our reserves policy. This new policy seeks to provide sufficient free reserves for anticipated deficits and protect the IOP's finances against key risks. Within the policy, 'free reserves' are defined as unrestricted investments, unoccupied properties, and Group net current assets less long-term provisions for dilapidations.

The risks and liabilities that the reserves policy seeks to cover with free reserves include: operating expenses of the IOP for three months for working capital in the event of an unexpected shortfall in income; unexpected and inescapable costs of 5% of annual operating expenditure; one year of property lease costs; foreign currency rate fluctuations; unexpected fall in returns on investments of up to 3% per annum for three years; and a reduction in value of unoccupied property of up to 10%. There is a permitted variance of 5% of the required free reserves with any greater variance to be approved by Council and a plan agreed to return within the policy range.

In defining this reserves policy, consideration has been given to the level of free reserves it is appropriate to hold in order to demonstrate appropriate financial management and sustainability.

The required level of reserves at 31 December 2024 based on the current long-term plan, as modified by the 2025 budget, is between £31.7m and £35.0m (2023: £20.9m-£29.9m). The current level of free reserves as defined above is £33.3m (2023: £25.3m (£21.8m unrestricted, £3.1m endowment, £0.4m restricted)), which is deemed appropriate given the IOP's commitments over the following 12 months.

### **Ethical investment policy**

The IOP is a charity established with the objective of promoting the advancement and dissemination of a knowledge of and education in the science of physics, pure and applied.

The trustees would not want the investment decisions of the IOP to result in activities that compromise this objective. In the event that the trustees consider that any particular classes of investment choices conflict with this objective, they will provide a written list of such classes, or specific investments, to the investment managers and will require them to take such steps as are practicable and cost-effective so as not to invest in these areas.

**The Institute of Physics  
Trustees' Annual Report for the year ended 31 December 2024**


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**Financial Review (continued)**

**Auditors**

All the current trustees have taken all the steps necessary to make themselves aware of any information needed by the charity's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The trustees are not aware of any relevant audit information of which the auditors are unaware.

**By order of Council**

Signed by:  
  
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Professor Alison McMillan CEng CPhys FInstP  
FIMechE FHEA  
Honorary Secretary  
Date: 27 June 2025

Signed by:  
  
802AC384C636456...

Professor David Delpy CBE FRS FREng CPhys  
FInstP FMedSci  
Honorary Treasurer  
Date: 27 June 2025

**The Institute of Physics**  
**Independent Auditors' Report for the year ended 31 December 2024**

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**Independent Auditors' Report to the Trustees of The Institute of Physics**

**Report on the audit of the financial statements**

**Opinion**

In our opinion, the Institute of Physics' group financial statements and parent charity financial statements ("the financial statements"):

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2024 and of the group's and parent charity's incoming resources and application of resources, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law) and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Trustees' Annual Report and Financial Statements (the "Annual Report"), which comprise: the group and parent charity balance sheets as at 31 December 2024; the consolidated statement of financial activities incorporating a consolidated income and expenditure account for the year then ended and charity statement of financial activities incorporating a consolidated income and expenditure account for the year then ended, the consolidated cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

**Basis for opinion**

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

**Independence**

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**Conclusions relating to going concern**

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and parent charity's ability to continue as a going concern.

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

**The Institute of Physics**  
**Independent Auditors' Report for the year ended 31 December 2024**

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**Independent Auditors' Report to the Trustees of The Institute of Physics (continued)**  
**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Based on our work undertaken in the course of the audit, the Charities (Accounts and Reports) Regulations 2008 and The Charities Accounts (Scotland) Regulations 2006 (as amended) requires us also to report certain opinions and matters as described below.

**Trustees' Report**

Under the Charities (Accounts and Reports) Regulations 2008 and The Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion the information given in the Trustees' Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

**Responsibilities for the financial statements and the audit**

**Responsibilities of the Trustees for the financial statements**

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

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

**Auditors' responsibilities for the audit of the financial statements**

We are eligible to act and have been appointed auditors under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

**The Institute of Physics  
Independent Auditors' Report for the year ended 31 December 2024**

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**Independent Auditors' Report to the Trustees of The Institute of Physics (continued)  
Responsibilities for the financial statements and the audit (continued)**

**Auditors' responsibilities for the audit of the financial statements (continued)**

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 auditors' 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 group and parent charity/industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended). We 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 posting inappropriate journal entries to increase revenue or reduce expenditure and applying management bias in accounting estimates. Audit procedures performed included:

- Discussions with management and the trustees, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes including those of the Council and of the subsidiaries;
- Evaluation of management's controls designed to prevent and detect irregularities, in particular the whistleblowing policy and employee code of conduct;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the valuation of partner accruals and the valuation of defined benefit pension liabilities; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

**The Institute of Physics  
Independent Auditors' Report for the year ended 31 December 2024**

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**Independent Auditors' Report to the Trustees of The Institute of Physics (continued)  
Responsibilities for the financial statements and the audit (continued)**

**Use of this report**

This report, including the opinions, has been prepared for and only for the Charity's trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under section 144 of the Charities Act 2011 and regulations made under those Acts (regulation 10 of The Charities Accounts (Scotland) Regulations 2006 (as amended) and Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Other required Reporting**

**The Charities Accounts (Scotland) Regulations 2006 (as amended) and Charities Act 2011 exception reporting**

Under The Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol

Date: 27 June 2025

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Consolidated Statement of Financial Activities incorporating a consolidated income and expenditure account for the year ended 31 December 2024**

	Note	2024 Endowment £'000	2024 Restricted £'000	2024 Designated £'000	2024 Unrestricted £'000	2024 Total £'000	2023 Total £'000
<b>Income from:</b>							
Donations and legacies	3	-	82	-	1	83	1,118
Charitable activities:							
Membership		-	-	-	1,705	1,705	1,672
Programmes		-	269	-	2,010	2,279	1,810
Scientific publications		-	-	-	75,107	75,107	64,728
Other trading activities		-	-	-	1,811	1,811	1,732
Investments	6	89	-	-	1,310	1,399	861
<b>Total income</b>	<b>3 &amp; 5</b>	<b>89</b>	<b>351</b>	<b>-</b>	<b>81,944</b>	<b>82,384</b>	<b>71,921</b>
<b>Expenditure on:</b>							
Raising funds		-	-	-	(128)	(128)	(86)
Charitable activities:							
Scientific publications	7	-	-	-	(64,174)	(64,174)	(57,990)
Ecosystem	7	-	(188)	-	(2,624)	(2,812)	(3,602)
Productivity	7	-	-	-	(198)	(198)	(191)
Campaign	7	-	-	-	(111)	(111)	(774)
Public dialogue	7	-	(91)	-	(430)	(521)	(311)
Transformation	7	-	-	-	(340)	(340)	(623)
Membership	7	-	-	-	(4,103)	(4,103)	(3,084)
Business operations	7	(184)	(1)	-	(10,553)	(10,738)	(11,137)
Other		-	-	-	(634)	(634)	(167)
<b>Total expenditure</b>	<b>7</b>	<b>(184)</b>	<b>(280)</b>	<b>-</b>	<b>(83,295)</b>	<b>(83,759)</b>	<b>(77,965)</b>
<b>Net gains on investments</b>	<b>17</b>	<b>347</b>	<b>-</b>	<b>-</b>	<b>2,296</b>	<b>2,643</b>	<b>1,240</b>
<b>Net income / (expense)</b>		<b>252</b>	<b>71</b>	<b>-</b>	<b>945</b>	<b>1,268</b>	<b>(4,804)</b>
Transfer between funds		-	-	7,500	(7,500)	-	-
<b>Other recognised gains / (losses)</b>							
Actuarial gains / (losses) on defined benefit pension scheme	23	-	-	-	2,168	2,168	(354)
Exchange difference on retranslation of net assets of subsidiary undertakings		-	-	-	(88)	(88)	(66)
<b>Net movement in funds</b>		<b>252</b>	<b>71</b>	<b>7,500</b>	<b>(4,475)</b>	<b>3,348</b>	<b>(5,224)</b>
Fund balances brought forward		3,140	363	-	70,903	74,406	79,630
<b>Fund balances carried forward</b>	<b>22</b>	<b>3,392</b>	<b>434</b>	<b>7,500</b>	<b>66,428</b>	<b>77,754</b>	<b>74,406</b>

The statement of financial activities includes all gains and losses recognised in the year. All amounts relate to continuing activities.

The notes on pages 43 to 81 form part of these financial statements.

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Charity Statement of Financial Activities incorporating an income and expenditure account for the year ended 31 December 2024**

	Note	2024 Endowment £'000	2024 Restricted £'000	2024 Designated £'000	2024 Unrestricted £'000	2024 Total £'000	2023 Total £'000
<b>Income from:</b>							
Donations and legacies	3	-	82	-	1	83	1,118
Charitable activities:							
Membership		-	-	-	1,705	1,705	1,672
Programmes		-	269	-	2,010	2,279	1,810
Scientific publications		-	-	-	12,494	12,494	15,344
Other trading activities		-	-	-	66	66	-
Investments		89	-	-	1,500	1,589	1,358
<b>Total income</b>		<b>89</b>	<b>351</b>	<b>-</b>	<b>17,776</b>	<b>18,216</b>	<b>21,302</b>
<b>Expenditure on:</b>							
Raising funds		-	-	-	(128)	(128)	(86)
Charitable activities:							
Ecosystem		-	(188)	-	(2,680)	(2,868)	(3,658)
Productivity		-	-	-	(198)	(198)	(191)
Campaign		-	-	-	(111)	(111)	(774)
Public dialogue		-	(91)	-	(430)	(521)	(311)
Transformation		-	-	-	(340)	(340)	(623)
Membership		-	-	-	(4,353)	(4,353)	(3,334)
Business operations		(184)	(1)	-	(10,553)	(10,738)	(11,137)
Other		-	-	-	(563)	(563)	(463)
<b>Total expenditure</b>		<b>(184)</b>	<b>(280)</b>	<b>-</b>	<b>(19,356)</b>	<b>(19,820)</b>	<b>(20,577)</b>
Net gains on investments	17	347	-	-	2,296	2,643	1,240
<b>Net income / (expense)</b>		<b>252</b>	<b>71</b>	<b>-</b>	<b>716</b>	<b>1,039</b>	<b>1,965</b>
Transfer between funds		-	-	7,500	(7,500)	-	-
<b>Other recognised gains / (losses)</b>							
Actuarial gains / (losses) on defined benefit pension scheme	23	-	-	-	2,168	2,168	(354)
<b>Net movement in funds</b>		<b>252</b>	<b>71</b>	<b>7,500</b>	<b>(4,616)</b>	<b>3,207</b>	<b>1,611</b>
Fund balances brought forward		3,140	363	-	69,338	72,841	71,230
<b>Fund balances carried forward</b>	<b>22</b>	<b>3,392</b>	<b>434</b>	<b>7,500</b>	<b>64,722</b>	<b>76,048</b>	<b>72,841</b>


The statement of financial activities includes all gains and losses recognised in the year. All amounts relate to continuing activities. The notes on pages 43 to 81 form part of these financial statements.

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Consolidated and Parent Charity Balance Sheets as at 31 December 2024**

	Note	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
<b>Fixed assets</b>					
Intangible assets	14	7,332	9,631	263	213
Tangible assets	15	31,914	33,262	30,971	32,117
Investments in subsidiary undertakings	16	-	-	3,001	3,001
Investments	17	28,380	25,295	28,380	25,295
		<u>67,626</u>	<u>68,188</u>	<u>62,615</u>	<u>60,626</u>
<b>Current assets</b>					
Debtors	18	20,264	27,414	1,481	5,366
Cash at bank and in hand		29,489	23,556	10,244	9,740
		<u>49,753</u>	<u>50,970</u>	<u>11,725</u>	<u>15,106</u>
<b>Creditors: amounts falling due within one year</b>	19	<u>(44,311)</u>	<u>(44,331)</u>	<u>(2,978)</u>	<u>(2,470)</u>
<b>Net current assets</b>		<b>5,442</b>	<b>6,639</b>	<b>8,747</b>	<b>12,636</b>
<b>Provisions for liabilities</b>	21	<b>(291)</b>	<b>(512)</b>	<b>(291)</b>	<b>(512)</b>
<b>Defined benefit pension scheme surplus</b>	23	<b>4,977</b>	<b>91</b>	<b>4,977</b>	<b>91</b>
<b>Net assets</b>		<u><b>77,754</b></u>	<u><b>74,406</b></u>	<u><b>76,048</b></u>	<u><b>72,841</b></u>
<b>Charity funds</b>					
Endowment funds					
Permanent endowment	22	517	461	517	461
Expendable endowment	22	2,875	2,679	2,875	2,679
Restricted funds	22	434	363	434	363
Unrestricted funds					
General fund	22	61,451	70,812	59,745	69,247
Designated funds	22	7,500	-	7,500	-
Pension reserve	23	4,977	91	4,977	91
<b>Total charity funds</b>		<u><b>77,754</b></u>	<u><b>74,406</b></u>	<u><b>76,048</b></u>	<u><b>72,841</b></u>

These financial statements were approved by Council and authorised for issue on 26 June 2025 and were signed on its behalf by

Signed by:  
  
D5D8FAD1DDC34A3...

Professor Sir Keith Burnett  
CBE FRS CPhys FInstP FLSW  
President  
27 June 2025

Signed by:  
  
802AC384C636456...

Professor David Delpy  
CBE FRS FREng CPhys FInstP FMedSci  
Honorary Treasurer  
27 June 2025

The notes on pages 43 to 81 form part of these financial statements

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Consolidated Statement of Cash Flows for the year ended 31 December 2024**

	<b>2024</b>	2023
	<b>£'000</b>	£'000
<b>Cash flows from operating activities</b>		
<b>Net income / (expense) for the year</b>	<b>1,268</b>	(4,804)
Adjustments for:		
Depreciation, impairment and amortisation of tangible and intangible assets	4,527	3,948
Loss on disposal of tangible and intangible assets	13	2
Gains on investments	(2,643)	(1,240)
Net interest receivable	(723)	(220)
Dividend income from fixed and current investments	(676)	(641)
Difference between net pension expense and cash contribution	(2,718)	251
Decrease in trade and other debtors	7,419	1,901
(Decrease) / increase in trade and other creditors	(321)	685
Decrease in provisions	(221)	(260)
<b>Net cash generated from / (used in) operating activities</b>	<b>5,925</b>	(378)
<b>Cash flows from investing activities</b>		
Purchases of tangible and intangible assets	(891)	(4,799)
Interest received	723	220
Dividends received on fixed and current asset investments	235	228
<b>Net cash generated from / (used in) investing activities</b>	<b>67</b>	(4,351)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>5,992</b>	(4,729)
Cash and cash equivalents at beginning of year	23,556	28,214
Foreign exchange (losses) / gains	(59)	71
<b>Cash and cash equivalents at end of year</b>	<b>29,489</b>	23,556
<b>Cash and cash equivalents comprise:</b>		
Cash at bank and in hand	29,489	23,556
	<b>29,489</b>	23,556

The notes on pages 43 to 81 form part of these financial statements.

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

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**Notes forming part of the financial statements for the year ended 31 December 2024**

**1 Accounting policies**

*(a) General information and basis of preparation*

The Institute of Physics (IOP) is a corporate body governed by a Royal Charter, which is supplemented by bylaws and regulations. It was established in its current form by Royal Charter dated 30 September 1970.

The IOP is a charity registered in both England & Wales (no. 293851) and in Scotland (no. SC040092). The members of Council are the trustees of the charity. The IOP's registered office is 37 Caledonian Road, London N1 9BU. The IOP has also applied for registration as a charity in the Republic of Ireland.

The IOP is a Public Benefit Entity under FRS 102. The financial statements have been prepared in accordance with applicable charity law and in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with Charities SORP FRS 102 (effective 1 January 2015) and in accordance with the requirements of the Charities Act 2011 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008.

The financial statements have been prepared on a going concern basis under the historical cost convention except for the modification to a fair value basis for certain investments and financial instruments as specified in the accounting policies below.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the Group's management to exercise judgement in applying the Group's accounting policies. The significant accounting policies applied in the preparation of these financial statements are set out in note 2 below. These policies have been consistently applied to all years presented unless otherwise stated.

*(b) Group financial statements*

Parent entity disclosure exemption: in preparing the individual financial statements of the IOP, advantage has been taken of the following disclosure exemptions available in FRS 102:

- no cash flow statement has been prepared for the parent charity; and
- no disclosure has been given for the aggregate remuneration of the key management personnel of the parent charity because their remuneration is included in the totals for the group as a whole.

Basis of consolidation: the consolidated financial statements incorporate the results of the IOP and all its subsidiary undertakings as at 31 December 2024 using the acquisition method of accounting. Under this method, the results of subsidiary undertakings acquired or disposed of during the year are included in the consolidated Statement of Financial Activities from the effective date of acquisition or up to the effective date of disposal. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets and liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated Statement of Financial Activities from the date on which control is gained.

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

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**Notes forming part of the financial statements (continued)**

**1 Accounting policies (continued)**

*(c) Income recognition*

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Membership income is recognised when received and attributed to the financial years to which it relates, and sundry income is recognised when received.

For legacies, entitlement and recognition is the earlier of the charity being notified of an impending distribution or the legacy being received. On occasion, legacies will be notified to the charity, however, it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from production of in-house and external partner journals with a majority of the income received in advance is recognised in line with the fair value of content delivered.

Other income streams include fees received for publishing articles, ebooks and advertising recognised upon publication; sales of access to historic archives recognised upon invoice when permanent access is granted; and contract management fees recognised on invoice when the service is provided.

The IOP receives Gift Aid income from its subsidiaries under the Gift Aid scheme. Gift Aid income is recognised in the charity's Statement of Financial Activities when the subsidiary has made an irrecoverable commitment to pay the taxable profits to the charity. The charity previously had a Gift Aid covenant in place with IOP Publishing Limited (IOPP). At the reporting date there was no legal obligation in place for IOPP to make this payment. The payment is, however, expected to be made within nine months of the end of the reporting date.

Income from government and other grants are accounted for under the performance model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Financial Activities in the same period as the related expenditure.

Investment income is earned through holding assets for investment purposes such as shares, property and short-term liquid investments. It includes dividends, interest, bank interest and rent.

*(d) Recognition of expenditure*

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the relevant category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties; it is probable that the settlement will be required; and the amount of the obligation can be measured reliably.

Support costs are those functions that assist the work of the charity but do not directly represent charitable activities. Support costs include general management, payroll administration, information technology, human resources, financing and governance costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings, these costs are allocated across the expenditure on charitable activities. The basis of the cost allocation has been explained in note 8 to the financial statements.

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

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**Notes forming part of the financial statements (continued)**

**1 Accounting policies (continued)**

*(e) Termination benefits*

Termination benefits are recognised when the Group is committed either to terminate the employment of an employee, or group of employees, before the normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. The Group is committed to a termination only when there is a detailed formal plan from which there is no realistic possibility of withdrawal.

Termination benefits are measured at the best estimate of the expenditure that would be required to settle the obligation at the reporting date. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

*(f) Analysis of income and expenditure*

2024 is the first year of the IOP's strategy Physics for our Future and a transition year from our former strategy, Unlocking the Future. Physics for our Future is an evolution of our ambitions and much of the vital work of Unlocking the Future continued into 2024.

*(g) Business combinations*

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree plus costs directly attributable to the business combination. Any excess of the cost of the business combination over the fair value of the identifiable assets and liabilities is recognised as goodwill.

*(h) Intangible fixed assets – Goodwill*

Goodwill represents the excess of the cost of a business combination over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation on the acquisition of subsidiaries is calculated by applying the straight-line method to its estimated useful life of five years.

*(i) Intangible fixed assets – Other*

Trademarks and software assets include journal and magazine titles. Such assets acquired are capitalised and amortised over their estimated useful economic lives. The useful life of trademarks is five years.

Other intangible assets, including internally generated software assets, are stated at cost and amortised over useful lives not exceeding 10 years. The amortisation period has been determined based on prior experience of the length of time that intangibles usually retain their value. Where factors such as technological advancement or changes in market price indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

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**Notes forming part of the financial statements (continued)**

**1 Accounting policies (continued)**

*(j) Tangible fixed assets*

Tangible fixed assets are stated at cost or valuation, net of accumulated depreciation and any provision for impairment. 'Cost' includes costs directly attributable to making the asset capable of operating as intended.

Assets with a value of less than £500 are not capitalised.

Depreciation is provided at rates calculated to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold property	45 years
Office equipment & machinery	3-4 years
Fixtures and fittings	10 years

The value of leasehold property is amortised over the remaining periods of the relevant leases.

Within note 15, 'Office equipment & machinery' and 'Fixtures & fittings' are included within one category of assets titled 'Fixtures and equipment'.

*(k) Investments*

Investments in subsidiaries are measured at cost less accumulated impairment in the individual charity financial statements.

Other investments in listed company shares are initially recognised at their transaction value excluding any transaction costs. Subsequently, they are measured at fair value as at the balance sheet date using the closing quoted market price of the individual unitised holdings. Any changes arising on revaluation are recognised in 'Net gains / losses on investments' in the Statement of Financial Activities.

*(l) Cash and cash equivalents*

Cash and cash equivalents includes cash and short-term, highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Bank overdrafts, if repayable on demand, are considered to be a component of cash equivalents.

*(m) Debtors*

Trade and other debtors are recognised at transaction price, less any impairment. Prepayments are valued at the amount prepaid net of any trade discounts due. Any losses arising from impairment are recognised in expenditure within the Statement of Financial Activities.

*(n) Creditors*

Short-term trade creditors are measured at the transaction price. Other financial liabilities are measured initially at amortised cost and subsequently at amortised cost less impairment.

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

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**Notes forming part of the financial statements (continued)**

**1 Accounting policies (continued)**

*(o) Provisions*

Provisions are recognised when the Group has an obligation, legal or constructive, at the balance sheet date as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of its amount.

The Group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use in the following financial year. The provision is measured at the undiscounted salary cost payable for the period of absence that has been accrued.

The Group recognises a provision for the expected value of dilapidations for costs relating to the exit of leasehold premises. The amount payable will be agreed through future negotiation at such point that an exit occurs.

*(p) Financial instruments*

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in an asset of the company after deducting all its liabilities. Financial instruments are measured at amortised cost or fair value depending on the nature of the underlying arrangement.

*(q) Derivative financial instruments*

Derivative financial instruments are recognised at fair value with any gains or losses being recognised within 'Net income/expenditure' in the Statement of Financial Activities.

*(r) Pension costs*

Institute of Physics Retirement Benefits Plan 1975:

The IOP operates the Institute of Physics Retirement Benefits Plan 1975 providing pension benefits based on final pensionable pay. This scheme was closed to new members on 31 December 2001. The assets of the scheme are held separately from those of the Group in an independently administered fund. This defined benefit scheme is accounted for in accordance with FRS 102.

The service cost of pension provision relating to the year, together with the cost of any benefits relating to past service if the benefits have vested, is charged to the Statement of Financial Activities. A charge equal to the increase in the present value of the scheme liabilities (because the benefits are closer to settlement) and a credit equivalent to the Group's long-term expected return on assets (based on the market value of the scheme assets at the start of the year) are also included in the Statement of Financial Activities.

The difference between the market value of the assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet. Any differences between the actual and expected return on assets during the year are recognised in the Statement of Financial Activities along with differences arising from experience or assumption changes.

The defined benefit pension expense recognised in the Statement of Financial Activities is allocated to expenditure on charitable activities in proportion with the expenditure on these activities. The defined benefit pension expense is recognised in unrestricted funds.

The Institute of Physics Group Personal Pension Schemes:

The Group operates two Group personal pension schemes. They are both defined contribution pension schemes with assets held in the names of the individual members.

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

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**Notes forming part of the financial statements (continued)**

**1 Accounting policies (continued)**

*(r) Pension costs (continued)*

The first was established from 1 January 2002 and is managed by Aviva. This scheme closed to new members on 31 January 2014. For those who are members of this scheme, the IOP contributes 3-18% (2023: 3-18%) of basic salary.

The second was established from 1 February 2014 and is managed by Aviva. For those members of staff who choose to join the scheme, the IOP contributes 2-12% of basic salary.

Contributions to the Group's defined contribution pension schemes are charged to the Statement of Financial Activities in the year in which they become payable.

*(s) Fund accounting*

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are those which are to be used in accordance with specific restrictions imposed by the donors. The cost of raising and administering such funds are charged against the specific fund.

Endowment funds represent those assets which must be held permanently by the charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and included in unrestricted income or in accordance with the specific restrictions imposed by donors as restricted income. Any capital gains or losses arising on the investments of endowment funds form part of the fund. Investment management charges and legal advice relating to the fund are charged against it.

*(t) Foreign currencies*

Functional currency and presentation currency:

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Sterling, which is the charity's and the Group's presentation currency, and results are rounded to the nearest £'000.

Transactions and balances:

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entity are recognised at the spot rate at the dates of the transactions or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange differences that arise are recognised within 'Net income / expenditure' in the Statement of Financial Activities.

Translation of Group companies:

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated from their functional currency to Sterling using the exchange rate ruling on the balance sheet date. Income and expenses are translated using an average rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on translation of Group companies are recognised within 'Other recognised gains / losses' in the Statement of Financial Activities.

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

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**Notes forming part of the financial statements (continued)**

**1 Accounting policies (continued)**

*(u) Leases*

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the terms of the leases.

Rental income receivable under operating leases with a third party is recognised in the Statement of Financial Activities on a straight-line basis over the terms of the leases.

*(v) Going Concern*

Trustees continue to monitor the principal markets in which the Group operates, and they have prepared forecasts and projections for the Group which cover at least twelve months from the date of signing these financial statements. These projections demonstrate the Group's ability to meet its obligations as they fall due. The trustees consider there to be no material uncertainties that exist and, therefore, appropriate to prepare the financial statements on a going concern basis.

**2 Significant judgements and estimates**

Preparation of the financial statements requires the Executive Board and Senior Management Team to make significant judgements and estimates.

*(a) Significant estimates*

The items in the financial statements where significant estimates have been made include:

Revenue recognition:

Income from production of in-house and external partner journals with a majority of the income received in advance is recognised in line with the fair value of content delivered.

Where contracts with customers contain multiple components and/or span multiple years, for example transformative agreements, judgement is required to identify the component parts of the contract and an estimate is required in the recognition of the associated revenue in each applicable accounting period. The estimate of revenue to be recognised in each applicable year in relation to a transformative agreement is based on the relative fair value of the component parts of the agreement. The determination of the relative fair value is based on the fair value of the individual component parts with any discount applied on a proportionate basis.

Defined benefit pension scheme valuation:

Valuation of the assets and liabilities of the Group defined benefit pension scheme are performed by a professional actuary. This requires estimates to be made around the range of assumptions used and the value used for each assumption.

Partner accruals:

Indirect costs of IOPP are allocated to partners in the calculation of partner payments. The method of allocating these indirect costs will vary by partner, depending on the nature of the agreement with each individual one, and estimates are required in these allocations.

Dilapidations:

A provision is included for the value of dilapidations for costs relating to the exit of leasehold premises. An estimate is required to determine this value. The amount payable will be agreed through future negotiation at such point that an exit occurs.

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

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**Notes forming part of the financial statements (continued)**

**2 Significant judgements and estimates (continued)**

*(b) Significant judgements*

The items in the financial statements where significant judgements have been made are:

Partner agreements:

When agreements are entered into with partners, judgement is required as to whether the company is acting as the agent or the principal in the arrangement and therefore how revenue should be recognised. The following factors are taken into consideration when making this judgement: which party to the agreement establishes the sales prices; which party bears the credit risk on the sale; and which party is responsible for providing the goods or services to the customer. The contractual terms set out in the agreement and the substance of the arrangement are also taken into consideration.

Leases:

The key judgement is whether leases entered into by the company are operating or finance leases. The conclusion depends on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**3 Income: analysis by fund**

	<b>Note</b>	<b>2024</b> Endowment £'000	<b>2024</b> Restricted £'000	<b>2024</b> Unrestricted £'000	<b>2024</b> <b>Total</b> £'000	<b>2023</b> Endowment £'000	<b>2023</b> Restricted £'000	<b>2023</b> Unrestricted £'000	<b>2023</b> <b>Total</b> £'000
<b>Income from:</b>									
Donations and legacies		-	82	1	<b>83</b>	-	-	1,118	<b>1,118</b>
Charitable activities:									
Membership		-	-	1,705	<b>1,705</b>	-	-	1,672	<b>1,672</b>
Programmes		-	269	2,010	<b>2,279</b>	7	161	1,642	<b>1,810</b>
Scientific publications		-	-	75,107	<b>75,107</b>	-	-	64,728	<b>64,728</b>
Other trading activities		-	-	1,811	<b>1,811</b>	-	-	1,732	<b>1,732</b>
Investments	<b>6</b>	89	-	1,310	<b>1,399</b>	84	-	777	<b>861</b>
Other		-	-	-	-	-	-	-	-
<b>Total income</b>	<b>5</b>	<b>89</b>	<b>351</b>	<b>81,944</b>	<b>82,384</b>	<b>91</b>	<b>161</b>	<b>71,669</b>	<b>71,921</b>

**4 Expenditure: analysis by fund**

	<b>Note</b>	<b>2024</b> Restricted £'000	<b>2024</b> Unrestricted £'000	<b>2024</b> <b>Total</b> £'000	<b>2023</b> Endowment £'000	<b>2023</b> Restricted £'000	<b>2023</b> Unrestricted £'000	<b>2023</b> <b>Total</b> £'000	
<b>Expenditure on:</b>									
Raising funds		-	-	128	<b>128</b>	-	-	86	<b>86</b>
Charitable activities:									
Scientific publications	<b>7</b>	-	-	64,174	<b>64,174</b>	-	-	57,990	<b>57,990</b>
Ecosystem	<b>7</b>	-	188	2,624	<b>2,812</b>	-	201	3,401	<b>3,602</b>
Productivity	<b>7</b>	-	-	198	<b>198</b>	-	-	191	<b>191</b>
Campaign	<b>7</b>	-	-	111	<b>111</b>	-	-	774	<b>774</b>
Public dialogue	<b>7</b>	-	91	430	<b>521</b>	-	-	311	<b>311</b>
Transformation	<b>7</b>	-	-	340	<b>340</b>	-	-	623	<b>623</b>
Membership	<b>7</b>	-	-	4,103	<b>4,103</b>	-	-	3,084	<b>3,084</b>
Business operations	<b>7</b>	184	1	10,553	<b>10,738</b>	195	19	10,923	<b>11,137</b>
Other		-	-	634	<b>634</b>	-	-	167	<b>167</b>
<b>Total expenditure</b>		<b>184</b>	<b>280</b>	<b>83,295</b>	<b>83,759</b>	<b>195</b>	<b>220</b>	<b>77,550</b>	<b>77,965</b>

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**5 Analysis of incoming resources**

By geographical market	<b>2024</b>	2023
	<b>£'000</b>	£'000
Europe, Middle East and Africa	<b>26,063</b>	25,634
The Americas	<b>34,249</b>	25,864
Asia Pacific	<b>22,072</b>	20,423
<b>Total</b>	<b>82,384</b>	71,921
By class of business	<b>2024</b>	2023
	<b>£'000</b>	£'000
Publishing operations	<b>76,918</b>	66,460
Charitable activities	<b>2,279</b>	1,810
Membership income	<b>1,705</b>	1,672
Other	<b>1,482</b>	1,979
<b>Total</b>	<b>82,384</b>	71,921

**6 Investment income**

	<b>2024</b>	2023
	<b>£'000</b>	£'000
Dividends and interest from listed investments	<b>676</b>	641
Interest from cash and short-term investments	<b>723</b>	220
<b>Total</b>	<b>1,399</b>	861

Group investment income is lower than the charity's investment income by £190k (2023: £497k) due to the elimination of intercompany rent charge in respect of The Distillery offset by interest from cash and short-term deposits generated by IOP Publishing Limited.

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**7 Analysis of expenditure**

*(a) Analysis of expenditure by type*

	2024	2024	2024	2024	2023
	Activities undertaken directly £'000	Grant funding activities £'000	Support costs £'000	Total £'000	Total £'000
Raising funds	-	-	128	128	86
Charitable activities:					
Scientific publications	64,174	-	-	64,174	57,990
Ecosystem	1,085	207	1,520	2,812	3,602
Productivity	93	-	105	198	191
Campaign	52	-	59	111	774
Public dialogue	245	-	276	521	311
Transformation	160	-	180	340	623
Membership	1,795	-	2,308	4,103	3,084
Business operations	2,078	-	8,660	10,738	11,137
Other	-	-	634	634	167
<b>Total</b>	<b>69,682</b>	<b>207</b>	<b>13,870</b>	<b>83,759</b>	<b>77,965</b>

Activities undertaken directly are costs attributable to the activity. Support costs are those that support the activity. Grant funding represents 8 (2023: 22) grants made to individuals under the Bell Burnell Graduate Scholarship Fund to encourage greater diversity in physics by assisting PhD physics students from under-represented groups and 10 (2023: 6) grants made under the Public Engagement Grant Scheme which supports external organisations to deliver outreach activities.

2024 was our transition year from our former strategy, Unlocking the Future, to our new strategy and the evolution of our ambitions, Physics for our Future. Therefore the 2024 Annual Report and Accounts provide detail of the expenditure against the structure of the strategy in place during the transition year.

The activities set out above underpin the new strategy. The activities included under Ecosystem ('Building a diverse, thriving and effective physics community') form part of our new Skills goal. Productivity ('Unlocking the full value of physics to society and the economy') is included within our new Society goal. Public Dialogue ('Showing the impact of physics and inspiring informed public conversations') will be a core part of each of the new goals, Skills, Science & Society. Our work with members and scientific publications are two of our core principles, member focussed and partnership. Much of the vital work of Unlocking the Future continued into 2024 and will flow into the next four years of this new strategy. From 2025 onwards, all our work will drive towards the delivery of our three core themes – skills, science and society – and the four principles of member-focused, inclusive, sustainable and partnership. This will be reflected in the 2025 Annual Report and Accounts.

*(b) Analysis of expenditure on business operations*

Included within expenditure on charitable activities are costs for business operations amounting to £10,738k (2023: £11,137k). These are analysed as:

	2024	2024	2024	2024	2023
	Endowment £'000	Restricted £'000	Unrestricted £'000	Total £'000	Total £'000
Awards	184	1	159	344	439
Support	-	-	3,920	3,920	4,113
Membership	-	-	1,513	1,513	1,193
Technology	-	-	1,591	1,591	1,804
Facilities	-	-	2,002	2,002	2,239
Outreach	-	-	1,368	1,368	1,349
<b>Total business operations expense</b>	<b>184</b>	<b>1</b>	<b>10,553</b>	<b>10,738</b>	<b>11,137</b>

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**8 Analysis of governance and support costs**

Included within expenditure on charitable activities are governance and support costs amounting to £13,108k (2023: £13,217k). These are analysed as:

	2024	2024	2024	2024	2023
	Management costs (Directorate + staff) £'000	Central costs (IT, HR, facilities) £'000	Finance costs £'000	Total £'000	Total £'000
Basis of Allocation	Direct *	Direct #	Direct		
Ecosystem	1,331	189	-	1,520	1,846
Productivity	92	13	-	105	97
Campaign	52	7	-	59	391
Public dialogue	242	34	-	276	157
Transformation	158	22	-	180	314
Membership	2,020	288	-	2,308	1,683
Business operations	5,363	2,495	802	8,660	8,729
<b>Total</b>	<b>9,258</b>	<b>3,048</b>	<b>802</b>	<b>13,108</b>	<b>13,217</b>

\* CEO costs, governance costs and fundraising staff costs are allocated directly. All other staff costs are apportioned based on the original direct costs of the activity over total direct costs.

# All costs are allocated directly other than depreciation and bad debt provision movements which have been apportioned based on the original direct costs of the activity over total direct costs.

**Auditors' fees:**

	2024 £'000	2023 £'000
Fees payable to the charity's auditors for the audit of the charity's annual financial statements	79	92
Fees payable to the charity's auditors for other services:		
The audit of the charity's subsidiaries pursuant to legislation	137	142
Other services	7	22
Other taxation services	73	24
	<b>296</b>	<b>280</b>

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**9 Staff**

**The Institute of Physics – Group**

	<b>2024</b>	2023
	<b>£'000</b>	£'000
Wages and salaries	<b>33,202</b>	30,990
Social security costs	<b>3,042</b>	2,752
Pension costs	<b>3,166</b>	2,968
Redundancy and severance costs	<b>182</b>	546
<b>Total</b>	<b>39,592</b>	37,256

During the year redundancy and severance costs were paid due to changes in business requirements.

The number of employees in the Group earning more than £60,000 including bonuses (excluding employer pension contributions) per year can be analysed in the following bands:

	<b>2024</b>	2023
	<b>Number</b>	Number
£60,000 - £69,999	28	33
£70,000 - £79,999	28	20
£80,000 - £89,999	20	18
£90,000 - £99,999	12	13
£100,000 - £109,999	7	13
£110,000 - £119,999	10	4
£120,000 - £129,999	8	2
£130,000 - £139,999	-	3
£140,000 - £149,999	5	4
£150,000 - £159,999	2	-
£180,000 - £189,999	1	-
£190,000 - £199,999	2	-
£200,000 - £209,999	-	1
£210,000 - £219,999	1	1
£220,000 - £229,999	1	-
£230,000 - £239,999	-	1
£250,000 - £259,999 +	-	3
£260,000 - £269,999 *	2	-
£270,000 - £279,999	1	-
£280,000 - £289,999	1	-
£290,000 - £299,999	-	-
£450,000 - £459,999	-	1
£470,000 - £479,999	1	-

\* This banding includes the remuneration of the Group Chief Executive Officer in 2024.

+ This banding includes the remuneration of the Group Chief Executive Officer in 2023.

The above banding covers the employees of the IOP Group and also includes 30 staff (2023: 30) who are employed by entities within the IOP Group that fall outside the scope of gender pay gap reporting.

The above banding includes 94 (2023: 82) staff for whom retirement benefits are accruing under defined contribution schemes and 9 (2023: 11) staff for whom retirement benefits are accruing under defined benefit schemes. Contributions by the Group for the year for the above employees to defined contribution schemes amounted to £1,000k (2023: £911k). 35 staff included above (2023: 34) are paid in foreign currencies and their earnings are subject to foreign exchange fluctuations when translating from the base currency to Sterling.

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**9 Staff (continued)**

**The Institute of Physics – Charity**

Within the charity only, the number of employees earning more than £60,000 including bonuses (excluding employer pension contributions) per year can be analysed in the following bands. Employer pension contributions have also been analysed to show the total employee benefits for those within these bandings:

Salary & compensation	Bonus & commission	Non-pensionable allowances & other benefits	Employer pension contribution	2024 Number	2023 Number
£60,000 - £69,999	-	-	£0 - £14,999	8	7
£70,000 - £79,999	-	-	£0 - £14,999	4	7
£80,000 - £89,999	-	-	£0 - £44,999	7	5
£90,000 - £99,999	-	-	£10,000 - £14,999	1	1
£100,000 - £109,999	-	-	£5,000 - £19,999	-	2
£110,000 - £119,999	-	-	£10,000 - £14,999	1	1
£120,000 - £129,999	-	-	£10,000 - £19,999	2	1
£130,000 - £139,999	-	-	£15,000 - £19,999	-	1
£140,000 - £149,999	-	-	£0 - £19,999	2	1
£150,000 - £159,999	-	-	£0 - £5,000	-	-
£250,000 - £259,999 *	-	-	£15,000 - £19,999	-	1
£260,000 - £269,999 +	-	-	£20,000 - £24,999	1	-

+ This banding includes the remuneration of the Group Chief Executive Officer in 2024.

\* This banding includes the remuneration of the Group Chief Executive Officer in 2023.

**The Institute of Physics – Group**

Within the trading subsidiaries of The Institute of Physics Group (IOP Publishing Limited, IOP Publishing Inc., IOP Business Publishing Inc., IOP Publishing Consultants (Beijing) Co. Limited, IOP Marketing and Promotion Services Private Limited), some staff, dependent on role, have contractual performance-based incentives linked to the subsidiaries' revenue or profit growth. Staff may also receive non-pensionable allowances and medical benefits in addition to employer pension contributions.

UK employer pension contributions are made at a maximum of 18% of pensionable salary.

The average number of employees during the year was:

		2024 Number	2023 Number
Charitable work:	The Institute of Physics	117	115
Business operations:	IOP Publishing Limited	296	262
	IOP Publishing Inc.	30	30
	IOP Business Publishing Inc.	2	3
	Turpion-Moscow Limited	-	1
	IOP Publishing Consultants (Beijing) Co. Limited	33	30
	IOP Marketing and Promotion Services Private Limited	4	5
	Management and administration:	The Institute of Physics	42
	IOP Publishing Limited	153	139
<b>Total</b>		<b>677</b>	<b>625</b>

The full-time equivalent number of employees as at 31 December 2024 was 651 (2023: 600).

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

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**Notes forming part of the financial statements (continued)**

**10 Key management personnel remuneration**

Key management personnel include all members of Council. The President, honorary officers and members of Council give their time to the IOP on a voluntary basis and are paid no remuneration for this work. They are reimbursed the actual costs of travel and subsistence necessarily incurred on the official business of the IOP and/or its subsidiaries. In the year to 31 December 2024, £6.9k of expenses were incurred and reimbursed to 16 trustees (2023: £9.4k to 18 trustees).

Remunerated key management personnel include the members of the IOP's senior management team and directors of the IOP's subsidiary companies. The Group Chief Executive Officer, who performs a Group role across all entities within the IOP Group, is part of the IOP's senior management team which also includes the Deputy Chief Executive; Chief Financial Officer; The Director of Policy and Public Affairs; The Director of Science, Innovation & Skills; Interim Director of People and Organisational Development; and the Chief Executive, IOP Publishing Limited. All members of the senior management team are remunerated by the IOP with the exception of the Chief Executive of IOP Publishing Limited.

In addition to the members of the IOP's senior management team, remunerated key management personnel comprise:

**IOP Publishing Limited**

Chief Financial Officer  
 Chief Sales Officer  
 Chief Technology Officer  
 Chief Publishing Officer  
 Chief People Officer

The pay and remuneration of the Group senior management team is set and monitored on behalf of Council by the Remuneration Committee. The Committee comprises the President, President-elect, Honorary Secretary and Honorary Treasurer, and is supported by several separately appointed external advisors. Each year, the Committee commissions relevant external benchmarking information from both the publishing and charity sector to support its decision-making and, when necessary, takes additional advice from specialist organisations.

The total compensation paid to key management personnel for services provided to the Group was £2,914k (2023: £2,650k). This includes all remuneration, salary, benefits, bonuses and commission, employer's pension contributions and any compensation payments made.

**11 Physics World**

During the year, the IOP contributed £266k (2023: £266k) to IOP Publishing Limited towards the cost of copies of Physics World supplied to members, and £40k (2023: £40k) towards the cost of copies of Physics Education supplied to the IOP's affiliated schools programme.

**12 Taxation**

As a registered charity, the IOP is potentially exempt from taxation of its income and gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The subsidiary companies make qualifying donations of taxable profit to the IOP.

**13 Irrecoverable VAT**

There is a group VAT registration for the IOP and its UK subsidiaries. The VAT group is partly exempt and, because of this, there are restrictions on the amount of VAT recoverable.

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**14 Intangible assets**

The Institute of Physics – Group	Software £'000	Goodwill on consolidation £'000	Trademarks £'000	Assets in course of construction £'000	Total £'000
<i>Cost or valuation</i>					
At 1 January 2024	23,175	126	217	578	24,096
Additions	357	-	-	365	722
Transfer from assets in course of construction	275	-	-	(275)	-
Disposals	(3,488)	-	-	-	(3,488)
<b>At 31 December 2024</b>	<b>20,319</b>	<b>126</b>	<b>217</b>	<b>668</b>	<b>21,330</b>
<i>Accumulated amortisation</i>					
At 1 January 2024	(14,131)	(126)	(208)	-	(14,465)
Provision for the year	(3,005)	-	(9)	-	(3,014)
Disposals	3,481	-	-	-	3,481
<b>At 31 December 2024</b>	<b>(13,655)</b>	<b>(126)</b>	<b>(217)</b>	<b>-</b>	<b>(13,998)</b>
<i>Net book value</i>					
<b>At 31 December 2024</b>	<b>6,664</b>	<b>-</b>	<b>-</b>	<b>668</b>	<b>7,332</b>
At 31 December 2023	9,044	-	9	578	9,631

The Institute of Physics – Charity	Software £'000	Assets in course of construction £'000	Total £'000
<i>Cost or valuation</i>			
At 1 January 2024	-	213	213
Additions	-	62	62
Transfer from assets in course of construction	275	(275)	-
<b>At 31 December 2024</b>	<b>275</b>	<b>-</b>	<b>275</b>
<i>Accumulated amortisation</i>			
At 1 January 2024	-	-	-
Provision for the year	(12)	-	(12)
<b>At 31 December 2024</b>	<b>(12)</b>	<b>-</b>	<b>(12)</b>
<i>Net book value</i>			
<b>At 31 December 2024</b>	<b>263</b>	<b>-</b>	<b>263</b>
At 31 December 2023	-	213	213

**Assets in the course of construction – Group & charity**

Within the charity, software relates to costs of a new website which was completed in the year ended 31 December 2024, transferred from assets in course of construction and amortised accordingly. Group assets in course of construction include elements of the implementation of new software systems which are ongoing. These assets are not being depreciated and will begin to be so when brought into use.

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

15 Tangible assets	Unoccupied property	Freehold property	Short leasehold property	Fixtures and equipment	Total
The Institute of Physics – Group	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
At 1 January 2024	2,548	33,830	1,927	3,229	41,534
Additions	-	-	-	169	169
Net gains from fair value adjustment	-	-	-	-	-
Disposals	-	-	(24)	(841)	(865)
<b>At 31 December 2024</b>	<b>2,548</b>	<b>33,830</b>	<b>1,903</b>	<b>2,557</b>	<b>40,838</b>
<i>Accumulated depreciation &amp; impairment</i>					
At 1 January 2024	(448)	(5,548)	(363)	(1,913)	(8,272)
Charge for the year	-	(452)	(197)	(380)	(1,029)
Impairment	(272)	(209)	-	-	(481)
Disposals	-	-	24	834	858
<b>At 31 December 2024</b>	<b>(720)</b>	<b>(6,209)</b>	<b>(536)</b>	<b>(1,459)</b>	<b>(8,924)</b>
<i>Net book value</i>					
<b>At 31 December 2024</b>	<b>1,828</b>	<b>27,621</b>	<b>1,367</b>	<b>1,098</b>	<b>31,914</b>
At 31 December 2023	2,100	28,282	1,564	1,316	33,262
The Institute of Physics – Charity	Unoccupied property	Freehold property	Short leasehold property	Fixtures and equipment	Total
The Institute of Physics – Charity	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
At 1 January 2024	2,548	33,830	1,792	468	38,638
Additions	-	-	-	48	48
Net gains from fair value adjustment	-	-	-	-	-
Disposals	-	-	-	(107)	(107)
<b>At 31 December 2024</b>	<b>2,548</b>	<b>33,830</b>	<b>1,792</b>	<b>409</b>	<b>38,579</b>
<i>Accumulated depreciation &amp; impairment</i>					
At 1 January 2024	(448)	(5,548)	(236)	(289)	(6,521)
Charge for the year	-	(452)	(193)	(62)	(707)
Impairment	(272)	(209)	-	-	(481)
Disposals	-	-	-	101	101
<b>At 31 December 2024</b>	<b>(720)</b>	<b>(6,209)</b>	<b>(429)</b>	<b>(250)</b>	<b>(7,608)</b>
<i>Net book value</i>					
<b>At 31 December 2024</b>	<b>1,828</b>	<b>27,621</b>	<b>1,363</b>	<b>159</b>	<b>30,971</b>
At 31 December 2023	2,100	28,282	1,556	179	32,117

Included within Unoccupied Property is a property based in London and included within Freehold Property is a property based in Ireland. Given fluctuations in commercial property markets, these were both reviewed for impairment at the balance sheet date. The reviews indicated that the recoverable amount of both properties was less than their carrying amount. The resulting impairment losses were £272k for the London property (2023: nil) and £209k for the Irish property (2023: £584k), which were recognised in the Statement of Financial Activities, apportioned across expenditure on Charitable Activities.

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**16 Investments in subsidiary undertakings**

**The Institute of Physics – Charity**

	<b>2024</b>	2023
	<b>£'000</b>	£'000
<i>Cost or valuation</i>		
At 1 January and 31 December	<b>3,001</b>	3,001
<i>Net book value</i>		
At 1 January and 31 December	<b>3,001</b>	3,001

The IOP's subsidiary undertakings at 31 December 2024 were as follows:

<b>Name</b>	<b>Country of incorporation / registration</b>	<b>Class of shares held</b>	<b>Percentage held</b>		<b>Nature of business</b>	<b>Year end</b>
<i>Subsidiary undertakings</i>						
IOP Publishing Limited	UK	Ordinary	100%		Publishing	31 Dec 2024
IOP Enterprises Limited	UK	Ordinary	100%		Provision of venue services	31 Dec 2024
IOP Educational Publishing Limited	UK	Ordinary	100%	*	Dormant	31 Dec 2024
Institute of Physics of Ireland CLG	Ireland	N/A	100%	~	Dormant	N/A <sup>g</sup>
IOP Publishing Inc.	USA	Ordinary	100%		Publishing	31 Dec 2024
IOP Business Publishing Inc.	USA	Ordinary	100%	^	Publishing	31 Dec 2024
IOP Publishing Consultants (Beijing) Co. Limited	China	Ordinary	100%	*	Publishing consulting	31 Dec 2024
Turpion Limited	UK	Ordinary	100%	*	Publishing	31 Dec 2024
Turpion-Moscow Limited	Russia	Ordinary	100%	+	Publishing	31 Dec 2024
IOP Publishing Moscow LLC	Russia	Ordinary	100%	#	Publishing	31 Dec 2024
IOP Marketing and Promotion Services Private Limited	India	Ordinary	100%	~	Publishing	31 Mar 2025

\* The investments in IOP Educational Publishing Limited, IOP Publishing Consultants (Beijing) Co. Limited and Turpion Limited are held directly by IOP Publishing Limited.

~ Institute of Physics of Ireland CLG is a Company Limited by Guarantee and therefore has no shares. The guarantor is The Institute of Physics.

^ The investment in IOP Business Publishing Inc. is held directly by IOP Publishing Inc.

+ The investment in Turpion-Moscow Limited is held directly by Turpion Limited.

# The investment in IOP Publishing Moscow LLC is owned 1% by IOP and 99% by IOP Publishing Limited.

~ The investment in IOP Marketing and Promotion Services Private Limited is 0.01% owned by IOP and 99.99% by IOP Publishing Limited.

<sup>g</sup> Institute of Physics of Ireland CLG was incorporated on 19 December 2024 and is dormant. Section 288(1) of the Companies Act 2014, Ireland, specifies that a company's first financial year begins upon incorporation and ends on a date no more than 18 months after that date. The first financial year for the Institute of Physics of Ireland CLG will be 31 December 2025.

IOP Educational Publishing Limited, as a dormant entity, is exempt from preparing individual accounts under s394A of the Companies Act 2006 UK and is exempt from the obligation to file accounts with the registrar by virtue of s448A of the Companies Act 2006 UK.

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**16 Investments in subsidiary undertakings (continued)**

Address of IOP Publishing Limited is No.2 The Distillery, Glassfields, Avon Street, Bristol, BS2 0GR

Address of IOP Enterprises Limited is 37 Caledonian Road, London, N1 9BU

Address of IOP Educational Publishing Limited is No.2 The Distillery, Glassfields, Avon Street, Bristol, BS2 0GR

Address of Institute of Physics in Ireland CLG is 35 Westland Row, Dublin 2, D02 XY04

Address of IOP Publishing Inc. is 3675 Market Street, Suite 200, Philadelphia, PA 19104, USA

Address of IOP Business Publishing Inc. is 3675 Market Street, Suite 200, Philadelphia, PA 19104, USA

Address of IOP Publishing Consultants (Beijing) Co. Limited is Room 608, Building A, Raycom Info Tech Park, No.2

Kexueyuan South Road, Beijing, China 100190

Address of Turpion Limited is No.2 The Distillery, Glassfields, Avon Street, Bristol, BS2 0GR

Address of Turpion-Moscow Limited is MIAN, 8 Gubkina Street, Room 915, Moscow, 119991, Russia

Address of IOP Publishing Moscow LLC is Room 2, 7th floor, Building 2, 17 Skakovaya Street, Moscow, 125040, Russia

Address of IOP Marketing and Promotion Services Private Limited is No 59, Empee Tower, Harris Road, Pudupet Chennai 600002, Tamil Nadu, India

Details of the net assets, turnover, expenditure and profit for the year of IOP Publishing Limited, IOP Enterprises Limited, IOP Publishing Inc., IOP Business Publishing Inc., IOP Publishing Consultants (Beijing) Co. Limited, Turpion Limited, IOP Publishing Moscow LLC and IOP Marketing and Promotion Services Private Limited are as follows:

	Company Number	Net assets/ (liabilities)	Income	Expenditure	Profit / (Loss)
		2024 £'000	2024 £'000	2024 £'000	2024 £'000
IOP Publishing Limited	00467514	3,006	77,623	(65,665)	11,958
IOP Enterprises Limited	03471563	4	70	(70)	-
IOP Publishing Inc.	26-2659520	1,223	4,167	(3,606)	561
IOP Business Publishing Inc.	26-2301131	(137)	352	(333)	19
IOP Publishing Consultants (Beijing) Co. Limited	No.05292	514	2,661	(2,573)	88
Turpion Limited	02463452	(236)	-	(111)	(111)
IOP Publishing Moscow LLC	1217700419815	110	151	(67)	84
IOP Marketing and Promotion Services Private Limited	U74999TN2016FTC103739	199	343	(310)	33

Details of the net assets, turnover, expenditure and profit for the prior year of IOP Publishing Limited, IOP Enterprises Limited, IOP Publishing Inc., IOP Business Publishing Inc., IOP Publishing Consultants (Beijing) Co. Limited, Turpion Limited, IOP Publishing Moscow LLC and IOP Marketing and Promotion Services Private Limited are as follows:

	Company Number	Net assets/ (liabilities)	Income	Expenditure	Profit / (Loss)
		2023 £'000	2023 £'000	2023 £'000	2023 £'000
IOP Publishing Limited	00467514	2,952	66,949	(59,183)	7,766
IOP Enterprises Limited	03471563	4	-	-	-
IOP Publishing Inc.	26-2659520	1,226	4,454	(3,855)	599
IOP Business Publishing Inc.	26-2301131	(151)	378	(368)	10
IOP Publishing Consultants (Beijing) Co. Limited	No.05292	450	2,585	(2,499)	86
Turpion Limited	02463452	(125)	-	(109)	(109)
IOP Publishing Moscow LLC	1217700419815	26	84	(28)	56
IOP Marketing and Promotion Services Private Limited	U74999TN2016FTC103739	169	486	(437)	49

Profit for the year and for the prior year of IOP Publishing Limited, IOP Enterprises Limited, IOP Publishing Inc., IOP Business Publishing Inc. and Turpion Limited are shown before the profits generated by each entity have been distributed by Gift Aid to IOP.

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**17 Investments**

	Group and charity	
	2024	2023
	£'000	£'000
Market value at beginning of the year	25,295	23,642
Dividends accumulated into investments	442	413
Unrealised gains	2,643	1,240
	<b>28,380</b>	25,295
Market value at end of the year	<b>28,380</b>	25,295
Historical cost	<b>21,629</b>	21,629

No investment management cost was incurred in 2024 or 2023.

	Group and charity	
	2024	2023
	£'000	£'000
The analysis of investments by class is as follows:		
Vanguard FTSE Global All Cap Index Fund	16,561	13,968
BNY Mellon Real Return Fund Newton Institutional	7,582	7,110
CCLA COIF Charities Property Fund	4,237	4,217
	<b>28,380</b>	25,295
Market value of investments	<b>28,380</b>	25,295
Total value of investments and cash	<b>28,380</b>	25,295

**18 Debtors**

	Group		Charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade debtors	15,868	22,247	168	132
Other debtors	607	740	514	635
Derivative financial instruments	-	216	-	-
Amounts owed by Group undertakings	-	-	44	3,779
Prepayments and accrued income	3,789	4,211	755	820
<b>Total</b>	<b>20,264</b>	27,414	<b>1,481</b>	5,366

An impairment loss of £163k (2023: £nil) was recognised in the consolidated Statement of Financial Activities for the year in respect of bad and doubtful debtors. An impairment loss of £68k (2023: £32k) was recognised in the charity Statement of Financial Activities for the year in respect of bad and doubtful debtors.

Amounts due from Group undertakings are interest free and repayable on demand.

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**19 Creditors: amounts falling due within one year**

	<b>Group</b>	Group	<b>Charity</b>	Charity
	<b>2024</b>	2023	<b>2024</b>	2023
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Trade creditors	<b>1,387</b>	2,564	<b>718</b>	478
Amounts owed to Group undertakings	-	-	<b>115</b>	-
Other creditors	<b>6,965</b>	6,401	<b>153</b>	41
Derivative financial instruments	<b>387</b>	-	-	-
Other taxes and social security	<b>649</b>	652	<b>191</b>	205
Accruals	<b>6,704</b>	6,735	<b>1,224</b>	1,189
Deferred income	<b>28,219</b>	27,979	<b>577</b>	557
<b>Total</b>	<b>44,311</b>	44,331	<b>2,978</b>	2,470

Deferred income represents income received in advance:

	<b>Group</b>	Group	<b>Charity</b>	Charity
	<b>2024</b>	2023	<b>2024</b>	2022
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Journals subscriptions	<b>27,121</b>	26,785	-	-
Membership income	<b>337</b>	300	<b>337</b>	300
Other	<b>761</b>	894	<b>240</b>	257
<b>Total</b>	<b>28,219</b>	27,979	<b>577</b>	557

Amounts owed to Group undertakings are interest free and repayable on demand.

**20 Financial instruments**

The Group's and charity's financial instruments may be analysed as follows:

	<b>Group</b>	Group	<b>Charity</b>	Charity
	<b>2024</b>	2023	<b>2024</b>	2023
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	<b>28,380</b>	25,295	<b>28,380</b>	25,295
Financial assets measured at amortised cost	<b>47,039</b>	47,689	<b>11,350</b>	10,896
<b>Financial liabilities</b>				
Financial liabilities measured at fair value through profit or loss	<b>(387)</b>	-	-	-
Financial liabilities measured at amortised cost	<b>(15,056)</b>	(15,700)	<b>(2,210)</b>	(1,708)

Financial assets measured at fair value through profit or loss comprise fixed asset investments in a trading portfolio of listed company shares.

Financial assets measured at amortised cost comprise trade debtors, other debtors, amounts owed by Group undertakings, accrued income, current asset investments and cash at bank.

Financial liabilities measured at fair value through profit or loss comprise the loss in fair value of foreign currency exchange contracts.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and amounts owed to Group undertakings.

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**21 Provisions for liabilities**

	<b>Group</b>	Group	<b>Charity</b>	Charity
	<b>2024</b>	2023	<b>2024</b>	2023
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<i>Dilapidations provision</i>				
At 1 January 2024	512	772	512	772
Increase in provision	9	10	9	10
Adjustment on reassessment of dilapidations	-	(270)	-	(270)
Crystallisation of provision	<b>(230)</b>	-	<b>(230)</b>	-
<b>At 31 December 2024</b>	<b>291</b>	512	<b>291</b>	512

Included within provisions is one of £291k (2023: £282k) for costs relating to the exit of a leasehold premises which are expected to crystallise in 2032. The amount payable will be agreed through future negotiation at such point that an exit occurs. Within 2024, provisions totalling £230k (2023: nil) for costs relating to the exit of leasehold premises crystallised.

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**22 Reserves**

(a) *Movement on reserves*

**Unrestricted funds – Group**

	Balance at 1 January 2024 £'000	Income £'000	Expenditure £'000	Gains on investment £'000	Transfers £'000	Actuarial gains £'000	Exchange adjustments £'000	Balance at 31 December 2024 £'000
General fund	70,812	78,661	(82,730)	2,296	(7,500)	-	(88)	61,451
Pension fund surplus/(deficit)	91	3,283	(565)	-	-	2,168	-	4,977
Designated funds								
Defined benefit pension long term strategy fund	-	-	-	-	5,000	-	-	5,000
Capital expenditure fund	-	-	-	-	2,500	-	-	2,500
<b>Total unrestricted reserves</b>	<b>70,903</b>	<b>81,944</b>	<b>(83,295)</b>	<b>2,296</b>	<b>-</b>	<b>2,168</b>	<b>(88)</b>	<b>73,928</b>
	Balance at 1 January 2023 £'000	Income £'000	Expenditure £'000	Gains on investment £'000	Transfers £'000	Actuarial losses £'000	Exchange adjustments £'000	Balance at 31 December 2023 £'000
General fund	75,822	70,669	(76,299)	1,077	(391)	-	(66)	70,812
Pension fund surplus/(deficit)	696	1,000	(1,251)	-	-	(354)	-	91
<b>Total unrestricted reserves</b>	<b>76,518</b>	<b>71,669</b>	<b>(77,550)</b>	<b>1,077</b>	<b>(391)</b>	<b>(354)</b>	<b>(66)</b>	<b>70,903</b>

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**22 Reserves (continued)**

(a) *Movement on reserves (continued)*

**Unrestricted funds – charity**

	Balance at 1 January 2024 £'000	Income £'000	Expenditure £'000	Gains on investment £'000	Transfers £'000	Actuarial gains £'000	Exchange adjustments £'000	Balance at 31 December 2024 £'000
General fund	69,247	14,493	(18,791)	2,296	(7,500)	-	-	59,745
Pension fund surplus/(deficit)	91	3,283	(565)	-	-	2,168	-	4,977
Designated funds								
Defined benefit pension long term strategy fund	-	-	-	-	5,000	-	-	5,000
Capital expenditure fund	-	-	-	-	2,500	-	-	2,500
<b>Total unrestricted reserves</b>	<b>69,338</b>	<b>17,776</b>	<b>(19,356)</b>	<b>2,296</b>	<b>-</b>	<b>2,168</b>	<b>-</b>	<b>72,222</b>
	Balance at 1 January 2023 £'000	Income £'000	Expenditure £'000	Gains on investment £'000	Transfers £'000	Actuarial losses £'000	Exchange adjustments £'000	Balance at 31 December 2023 £'000
General fund	67,422	20,050	(18,911)	1,077	(391)	-	-	69,247
Pension fund surplus/(deficit)	696	1,000	(1,251)	-	-	(354)	-	91
<b>Total unrestricted reserves</b>	<b>68,118</b>	<b>21,050</b>	<b>(20,162)</b>	<b>1,077</b>	<b>(391)</b>	<b>(354)</b>	<b>-</b>	<b>69,338</b>

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**22 Reserves (continued)**

(a) *Movement on reserves (continued)*

**Restricted funds - Group and charity**

	Balance at 1 January 2024 £'000	Income £'000	Expenditure £'000	Gains on investments £'000	Transfers £'000	Actuarial gains / (losses) £'000	Exchange adjustments £'000	Balance at 31 December 2024 £'000
<b>Restricted income funds:</b>								
Prize funds	49	82	-	-	-	-	-	131
Other funds	314	269	(280)	-	-	-	-	303
<b>Total restricted income funds</b>	<b>363</b>	<b>351</b>	<b>(280)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>434</b>
<b>Endowment funds:</b>								
Bell Burnell Expendable Endowment Fund	2,679	77	(179)	298	-	-	-	2,875
Lee Lucas Permanent Endowment Fund	461	12	(5)	49	-	-	-	517
<b>Total endowment funds</b>	<b>3,140</b>	<b>89</b>	<b>(184)</b>	<b>347</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,392</b>
<b>Total restricted funds</b>	<b>3,503</b>	<b>440</b>	<b>(464)</b>	<b>347</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,826</b>
	Balance at 1 January 2023 £'000	Income £'000	Expenditure £'000	Gains on investments £'000	Transfers £'000	Actuarial gains / (losses) £'000	Exchange adjustments £'000	Balance at 31 December 2023 £'000
<b>Restricted income funds:</b>								
Prize funds	49	-	-	-	-	-	-	49
Other funds	373	160	(219)	-	-	-	-	314
<b>Total restricted income funds</b>	<b>422</b>	<b>160</b>	<b>(219)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>363</b>
<b>Endowment funds:</b>								
Bell Burnell Expendable Endowment Fund	2,303	79	(191)	140	348	-	-	2,679
Lee Lucas Permanent Endowment Fund	387	13	(5)	23	43	-	-	461
<b>Total endowment funds</b>	<b>2,690</b>	<b>92</b>	<b>(196)</b>	<b>163</b>	<b>391</b>	<b>-</b>	<b>-</b>	<b>3,140</b>
<b>Total restricted funds</b>	<b>3,112</b>	<b>252</b>	<b>(415)</b>	<b>163</b>	<b>391</b>	<b>-</b>	<b>-</b>	<b>3,503</b>

**Transfers between funds**

In 2024, the trustees approved a new reserves policy. This seeks to provide sufficient free reserves for anticipated deficits and protect the charity's finances against key risks. As part of this policy, £7.5m has been transferred from unrestricted funds to designated funds to allow specific reserves to be held for possible future spend of the IOP in these areas.

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**22 Reserves (continued)**

*(a) Movement on reserves (continued)*

**General fund:** This represents cumulative surpluses net of other adjustments.

**Pension fund surplus / (deficit):** This is the amount dedicated by the trustees to the pension scheme. This represents the fair value of the plan assets, net of the actuarial value of plan liabilities.

**Defined benefit pension long-term strategy fund:** This fund has been earmarked for use towards future spend on the defined benefit pension scheme including possible scenarios involving the discharge of the IOP's employer obligation to the defined benefit pension fund. These funds were designated as part of the IOP's review of its reserves policy in 2024.

**Capital expenditure fund:** Specific funds earmarked for expenditure on buildings and other capital expenditure. These funds were designated as part of the IOP's review of its reserves policy in 2024.

**Prize funds:** Prize funds are held by the IOP to give out as awards to individuals for their exceptional contribution towards physics.

**Other funds:** Various other restricted funds, accumulated together for the purposes of the financial statements, were given to the IOP to spend towards specific projects and purposes.

**Bell Burnell Endowment Fund:** This expendable endowment fund is instigated by leading physicist Professor Dame Jocelyn Bell Burnell and the IOP to encourage greater diversity in physics by assisting PhD physics students from underrepresented groups.

**Lee Lucas Endowment Fund:** This permanent endowment fund is used to provide an award to recognise and support the achievements of young physics-based enterprises. Winners of the award will typically, but not exclusively, be taking innovative products into the medical and healthcare sectors.

*(b) Analysis of net assets by fund – Group*

	Restricted funds:			Unrestricted funds:			Designated pension long-term strategy fund	Designated capital expenditure fund	Total unrestricted funds	Total reserves
	Endowment funds	Restricted income funds	Total restricted funds	General fund	Pension surplus	Total				
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Fund balances at 31 December 2024 are represented by:										
Intangible fixed assets	-	-	-	7,332	-	-	-	-	7,332	7,332
Tangible fixed assets	-	-	-	29,414	-	-	2,500	31,914	31,914	
Investments	3,723	-	3,723	24,657	-	-	-	24,657	28,380	
Current assets	-	434	434	44,319	-	5,000	-	49,319	49,753	
Current liabilities	(331)	-	(331)	(43,980)	-	-	-	(43,980)	(44,311)	
Non-current assets	-	-	-	-	4,977	-	-	4,977	4,977	
Non-current liabilities	-	-	-	(291)	-	-	-	(291)	(291)	
<b>Total net assets</b>	<b>3,392</b>	<b>434</b>	<b>3,826</b>	<b>61,451</b>	<b>4,977</b>	<b>5,000</b>	<b>2,500</b>	<b>73,928</b>	<b>77,754</b>	

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

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**Notes forming part of the financial statements (continued)**

**23 Pensions**

The Group operates three pension schemes.

**Defined benefit pension scheme**

The Institute of Physics Retirement Benefits Plan 1975 (the Plan) was closed to new members on 31 December 2001. The IOP continues to support the scheme for those who were members on the effective date of closure. The scheme is administered by an independent trustee.

The most recent FRS 102 valuation of the Plan's assets, dated 31 December 2024, stood at £72,452k (2023: £76,416k). The actuarial value of those assets represented 107% (2023: 100%) of the benefits that had accrued to members, after allowing for expected future increases in earnings.

Contributions paid into the scheme are calculated at a level intended to balance the pensions liability with investment assets. The contribution rates are set at the time of the full formal actuarial valuation. This was last performed as at 31 December 2022 with an update carried out at 31 December 2024 for FRS 102 reporting purposes by a qualified actuary. The assumptions used as at 31 December 2024 are outlined further in this note.

The formal actuarial valuation as at 31 December 2022 was published in early 2024 at which time it was agreed that the IOP would contribute a one-off lump sum of £3m to the Plan with the agreement that no further future contributions shall be required to be paid until 22 March 2029.

The Plan's trustees'-appointed legal adviser has provided advice regarding the impact that a ruling in *Virgin Media Ltd v NTL Pension Trustees II Ltd and others* [2023] EWHC 1441 (Ch) ("Virgin Media") may have on the Plan.

In July 2024, the Court of Appeal upheld the June 2023 High Court ruling of this case concerning contracted-out "section 9(2B) rights" accrued in occupational pension schemes after 5 April 1997. The contracted-out regime came to an end on 6 April 2016 and so section 9(2B) rights were accrued between 1997 and 2016. A provision found in section 37 of the Pension Schemes Act 1993 required that any amendment "in relation to section 9(2B) rights under the scheme" was to be accompanied by a written confirmation by the scheme actuary that, if the amendment was made, the scheme would continue to satisfy the contracted-out reference scheme test (a Section 37 Confirmation). According to the court's decision, any amendments to scheme benefits that affect members' section 9(2B) rights during the relevant period will be void unless a Section 37 Confirmation was obtained in writing when the amendment was made. The Institute of Physics Retirement Benefits Plan 1975 was contracted out from 6 April 1997 until the Plan closed to further accrual of benefits on 30 June 2015.

The Plan trustees have asked their legal advisers to consider: (1) the amendments that have been made to the Plan during the relevant period; (2) to summarise what each amendment does; and (3) advise whether a Section 37 Confirmation was required in relation to that particular amendment.

This work will give the trustees a summary of the position for the Plan on this issue, which will be helpful as they await wider developments such as a further court ruling or legislative intervention. In the meantime, the trustees, with the assistance of their advisers, will continue to monitor the impact of any future developments on this issue for the Plan.

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**23 Pensions (continued)**

The principal actuarial assumptions used by the actuary at the balance sheet date were:

	<b>2024</b>	2023
	%	%
Discount rate	<b>5.50</b>	4.55
Aggregate long-term expected rate of return on assets (net of expenses)		
Inflation (RPI)	<b>3.15</b>	3.10
Inflation (CPI)	<b>2.50</b>	2.45
Future increases in deferred pensions:		
Rate of increase in salaries	<b>2.50</b>	2.45
Rate of increase to pensions in payment:		
Pre-2001 pension	<b>5.00</b>	5.00
2001-2006 pension	<b>3.15</b>	3.10
Post-2006 pension	<b>2.00</b>	2.05
	<b>Years</b>	Years
Mortality assumptions:		
Life expectancy of male aged 65 now	<b>21.7</b>	21.7
Life expectancy of male aged 65 in 20 years	<b>22.9</b>	23.0
Life expectancy of female aged 65 now	<b>23.8</b>	23.8
Life expectancy of female aged 65 in 20 years	<b>25.2</b>	25.2

Cash commutation:

**2024:** Members take 75% of their max allowable pension commencement lump sum on current terms.

**2023:** Members take 75% of their max allowable pension commencement lump sum on current terms.

*Reconciliation of fair value of plan liabilities:*

	<b>2024</b>	2023
	£'000	£'000
At the beginning of the year	<b>76,325</b>	76,203
Past service cost	-	739
Administration costs	<b>669</b>	558
Interest cost	<b>3,413</b>	3,562
Remeasurement gains:		
Actuarial gains	<b>(9,655)</b>	(1,681)
Benefits and expenses paid	<b>(3,277)</b>	(3,056)
At the end of the year	<b>67,475</b>	76,325

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**23 Pensions (continued)**

*Changes in the fair value of plan assets:*

	<b>2024</b>	2023
	<b>£'000</b>	£'000
At the beginning of the year	<b>76,416</b>	76,899
Interest income	<b>3,517</b>	3,608
Remeasurement losses:		
Return on scheme assets excluding interest	<b>(7,487)</b>	(2,035)
Contributions by employer	<b>3,283</b>	1,000
Benefits and expenses paid	<b>(3,277)</b>	(3,056)
At the end of the year	<b>72,452</b>	76,416
Actual return on plan assets	<b>(3,970)</b>	1,573
	<b>2024</b>	2023
	<b>£'000</b>	£'000
Fair value of plan assets	<b>72,452</b>	76,416
Actuarial value of plan liabilities	<b>(67,475)</b>	(76,325)
Net pension scheme asset	<b>4,977</b>	91

**Group and charity**

	<b>2024</b>	2023
	<b>£'000</b>	£'000
Pension asset recognised on the balance sheet	<b>4,977</b>	91

*Amounts recognised in profit or loss are as follows:*

	<b>Group and charity</b>	
	<b>2024</b>	2023
	<b>£'000</b>	£'000
Past service cost	-	739
Administration costs	<b>669</b>	558
Net interest income	<b>(104)</b>	(46)
Total	<b>565</b>	1,251

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**23 Pensions (continued)**

*Analysis of actuarial gain / (loss) recognised within the Statement of Financial Activities gains and losses category*

	<b>Group and charity</b>	
	<b>2024</b>	2023
	<b>£'000</b>	£'000
Actual return less interest income included in net interest cost	<b>(7,487)</b>	(2,035)
Changes in assumptions underlying the present value of the scheme liabilities	<b>9,655</b>	1,681
Actuarial gain / (loss) on defined benefit pension scheme	<b>2,168</b>	(354)

*Composition of plan assets*

	<b>2024</b>	2023
	<b>£'000</b>	£'000
Diversified growth funds	-	9,318
Annuities	<b>6,126</b>	6,489
Liability-driven investment funds	<b>38,981</b>	49,837
Partners Fund	-	7,705
Schroders Climate+ Fund	<b>7,049</b>	-
Asset-backed securities	<b>16,971</b>	-
Cash	<b>3,325</b>	3,067
Total plan assets	<b>72,452</b>	76,416

**Defined contribution pension schemes**

A Group personal pension scheme was established to replace the defined benefit scheme with effect from 1 January 2002. This scheme closed to new members on 31 January 2014 and a new Group personal pension scheme was established from 1 February 2014. The IOP has also designated a stakeholder pension scheme in compliance with the Pensions Act 1995.

The amount recognised in the Statement of Financial Activities as an expense in relation to the Group's defined contribution pension schemes is £3,166k (2023: £2,968k). An amount of £397k (2023: £368k) was payable to the schemes at the year-end.

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**24 Commitments under operating leases**

**Group**

The Group has minimum lease payments under non-cancellable operating leases as set out below:

	<b>Land and buildings 2024 £'000</b>	Land and buildings 2023 £'000
Not later than 1 year	<b>843</b>	929
Later than 1 year and not later than 5 years	<b>2,607</b>	2,858
Later than 5 years	<b>1,231</b>	1,821
	<b>4,681</b>	5,608

**Charity**

The charity has minimum lease payments under non-cancellable operating leases as set out below:

	<b>Land and buildings 2024 £'000</b>	Land and buildings 2023 £'000
Not later than 1 year	<b>591</b>	591
Later than 1 year and not later than 5 years	<b>2,363</b>	2,363
Later than 5 years	<b>1,231</b>	1,821
	<b>4,185</b>	4,775

Lease payments recognised under 'other expenditure' in the year totalled £487k (2023: £469k)

**25 Amounts receivable under operating leases**

The charity has minimum lease payments receivable under non-cancellable operating leases as set out below:

	<b>Land and buildings 2024 £'000</b>	Land and buildings 2023 £'000
Not later than 1 year	<b>715</b>	715
Later than 1 year and not later than 5 years	<b>2,860</b>	2,860
Later than 5 years	<b>1,490</b>	2,205
	<b>5,065</b>	5,780

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**26 Related parties**

The transactions noted below are all reported due to the individuals being trustees, directors or key management personnel. The transactions were entered into by the organisations listed below.

**Sales by IOP Publishing Limited in 2024**

Related organisation	Individual	Role within related organisation	Description of transaction	Sales by IOPP in 2024 (£)	Amount outstanding at 2024 year-end (£)
University of Birmingham	John Bagshaw *	Quantum Hub Member & Applications Technology Exploitations Panel Member	Journal subscription, publishing and advertising services, article charges	141,610	6,353
University of Bristol	John Bagshaw *	Member of Industrial Advisory Board & Physics Department	Journal subscription, publishing and advertising services, article charges	185,114	-
Cardiff University	John Bagshaw *	Member of Advisory Board & Physics Department	Journal subscription, publishing and advertising services	45,460	600
City St George's University of London, School of Mathematics, Computer Science and Engineering	John Bagshaw *	Strategic Advisory Board Member	Journal subscription, publishing and advertising services, article charges	1,638	-
University of Southampton	John Bagshaw *	Strategic Advisory Board Member	Journal subscription and publishing services, article charges	139,350	432
Fraunhofer UK	John Bagshaw *	Member of Industrial Advisory Board	Advertising	598	-
University of Cambridge	Lisa Jardine-Wright *	Teaching Professor	Journal subscription and publishing services, article charges	258,852	6,934
	Melissa Uchida	Associate Professor / Senior Lecturer			
Imperial College London	Melissa Uchida	Academic Visitor	Journal and ebooks subscription, publishing services and advertising, article charges	239,068	6,880
	Michele Dougherty	Head of Department of Physics			
Science & Technology Facilities Council	Michele Dougherty	Chief Executive	Advertising	119,296	4,800
	Melissa Uchida	Projects Peer Review Panel Member			
	Tara Shears	Science Board Chair & Council Observer			
UKRI	Tara Shears	Future Leaders Fellowships Core Panel Member	Journal subscription	4,036	-
	Claudia Eberlein *	Occasional Chair / Panel Member			
Loughborough University	Claudia Eberlein *	Dean of Science & Professor of Theoretical Physics	Journal subscription and publishing services	83,527	-

**The Institute of Physics  
Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**26 Related parties (continued)**

**Sales by IOP Publishing Limited in 2024 (continued)**

Related organisation	Individual	Role within related organisation	Description of transaction	Sales by IOPP in 2024 (£)	Amount outstanding at 2024 year-end (£)
University of Exeter	Roy Sambles *	Professor	Journal subscription and publishing services, article charges	83,790	4,954
National Physical Laboratory	Roy Sambles *	Distinguished Visitor	Journal subscription and publishing services, article charges	32,316	-
	Peter Thompson	CEO			
University of Surrey	Peter Thompson	Visiting Professor	Journal subscription and publishing services	57,748	-
	Elizabeth Cunningham	Visiting Researcher			
University College Dublin	Tara Shears	Professor	Advertising	1,663	-
CERN	Tara Shears	Member of the UK at CERN Committee & UK CERN Strategic Advisory Board	Journal and ebooks subscription, publishing services, magazine printing and distribution	318,396	179,471
European Physical Society	Tara Shears	EPS HEPP Board Member	Advertising	599	719
University of Liverpool	Tara Shears	Physics Professor	Journal and ebooks subscription and publishing services, advertising	157,935	-
	John Dainton	Emeritus Professor			
Cockcroft Institute	John Dainton	Former Director	Advertising	395	-
Lancaster University	John Dainton	Honorary Professor	Journal subscription and publishing services, advertising	133,962	72,186
University of Oxford	Phillip Burrows	Professor	Journal and ebooks subscription and publishing services, article charges, advertising	98,370	2,806
University College London	David Delpy	Emeritus Professor	Publishing services and advertising, article charges	222,108	122,691
Brunel University of London	David Delpy	Member of Council	Journal subscription and publishing services	17,010	-
Leonardo UK Ltd	Robert Lamb	Chief Research & Technology Officer	Journal subscription	18,568	-
Heriot-Watt University	Robert Lamb	Honorary Professorial Chair	Journal subscription and publishing services, article charges	37,407	-

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**26 Related parties (continued)**

**Purchases by IOP Publishing Limited in 2024**

Related organisation	Individual	Role within related organisation	Description of transaction	Purchases by IOPP in 2024 (£)	Amount outstanding at 2024 year-end (£)
University of Cambridge	Lisa Jardine-Wright *	Teaching Professor	Event sponsorship	667	-
	Melissa Uchida	Associate Professor / Senior Lecturer			
University of Exeter	Roy Sambles *	Professor	Event sponsorship	3,000	-
University College London	David Delpy	Emeritus Professor	Event sponsorship	250	-
European Physical Society	Tara Shears	HEPP Board Member	Affiliation costs	119,750	-
Woodslea Limited	Philip Clarke	Director	Consultancy	10,744	-

**Amounts received by the IOP in 2024**

Related organisation	Individual	Role within related organisation	Description of transaction	Received by the IOP in 2024 (£)	Amount outstanding at 2024 year-end (£)
University of Surrey	Elizabeth Cunningham	Visting Researcher	Conference sponsorship	324	-
	Peter Thompson	Visiting Professor			
UKRI	Claudia Eberlein *	Occasional Chair / Panel Member	Room hire & conference sponsorship	7,835	-
	Tara Shears	Future Leaders Fellowships Core Panel Member			
Royal Society of Publishing	John Dainton	Editor in Chief	Conference sponsorship	500	-
Science & Technology Facilities Council (STFC)	Melissa Uchida	Projects Peer Review Panel Member	Room hire & conference sponsorship	22,438	-
	Tara Shears	Science Board Chair & Council Observer			
	Michele Dougherty	Chief Executive			
STEM Learning Ltd	Keith Burnett	Strategic Advisory Panel Member	Consultancy & room hire	2,358	-

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**26 Related parties (continued)**

**Purchases by the IOP in 2024**

Related organisation	Individual	Role within related organisation	Description of transaction	Purchases by the IOP in 2024 (£)	Amount outstanding at 2024 year-end (£)
University of Surrey	Elizabeth Cunningham	Visting Researcher	Grants, outreach & conference costs	18,199	1,443
	Peter Thompson	Visting Researcher			
National Physical Laboratory	Peter Thompson	CEO	Conference costs	3,665	-
	Roy Sambles *	Distinguished Visitor			
University of Exeter	Roy Sambles *	Professor	Grants & consultancy	23,504	2,701
University of Cambridge	Lisa Jardine-Wright *	Teaching Professor	Grants & conference costs	14,950	-
	Melissa Uchida	Associate Professor/Senior Lecturer			
Imperial College London	Melissa Uchida	Academic Visitor	Grants & conference costs	6,928	-
	Michele Dougherty	Head of Department of Physics			
Science & Technology Facilities Council	Michele Dougherty	Chief Executive	Conference costs	2,750	-
	Melissa Uchida	Projects Peer Review Panel			
	Tara Shears	Science Board Chair & Council Observer			
European Physical Society	Tara Shears	HEPP Board Member	Affiliation costs	116,400	-
University College Dublin	Tara Shears	Professor	Grants & consultancy	5,647	-
University of Liverpool	Tara Shears	Physics Professor	Grants & outreach	11,062	2,714
	John Dainton	Emeritus Professor			
Lancaster University	John Dainton	Honorary Professor	Grants, outreach & conference costs	11,397	-

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**26 Related parties (continued)**

**Purchases by the IOP in 2024 (continued)**

<b>Related organisation</b>	<b>Individual</b>	<b>Role within related organisation</b>	<b>Description of transaction</b>	<b>Purchases by the IOP in 2024 (£)</b>	<b>Amount outstanding at 2024 year-end (£)</b>
Self-employed	Jane Clark	Self-employed	Grants & outreach	918	-
University of Birmingham	John Bagshaw *	Quantum Hub Member & Applications Technology Exploitations Panel Member	Grants & conference costs	5,074	-
University of Bristol	John Bagshaw *	Member of Industrial Advisory Board & Physics Department	Grants & conference costs	4,519	-
Cardiff University	John Bagshaw *	Member of Advisory Board & Physics Department	Grants, consultancy & conference costs	4,522	-
City St George's University of London, School of Mathematics, Computer Science and Engineering	John Bagshaw *	Strategic Advisory Board Member	Training	3,500	-
University of Southampton	John Bagshaw *	Strategic Advisory Board Member	Conference costs & consultancy	900	-
Loughborough University	Claudia Eberlein *	Dean of Science & Professor of Theoretical Physics	Conference costs & consultancy	17,767	-
Brunel University of London	David Delpy	Member of Council	Conference costs	182	-
University College London	David Delpy	Emeritus Professor	Grants, consultancy & conference costs	14,758	-
University of Oxford	Phillip Burrows	Professor	Grants, consultancy & conference costs	19,940	-

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**26 Related parties (continued)**

**Sales by IOP Publishing Limited in 2023**

Related organisation	Individual	Role within related organisation	Description of transaction	Sales by IOPP in 2023 (£)	Amount outstanding at 2023 year-end (£)
University of Birmingham	Martin Freer ~	Director of the Birmingham Energy Institute and Director of the Energy Research Accelerator	Subscriptions & advertising in Physics World	70,881	354
University of Glasgow	Martin Hendry #	Head of Gravitational Astrophysics & Cosmology	Article publication charges & subscriptions	21,390	-
	Sheila Rowan #	Chair of Natural Philosophy			
Queen Mary University of London	Alix Pryde	Member of Council	Article publication charges	956	1,147
Brunel University of London	David Delpy	Member of Council	Article publication charges & subscriptions	27,956	-
National Physics Laboratory	Peter Thompson	CEO	Article publication charges	1,313	-
Science & Technology Facilities Council (STFC)	Sheila Rowan #	Senior Independent Member of Council	Advertising in Physics World	19,000	-
	Tara Shears	Science Board Chair and Council Observer			
Cardiff University School of Physics and Astronomy	Sheila Rowan #	Member of External Advisory Panel	Advertising in Physics World	500	-
University of York	Philip Carpenter	Pro-Chancellor and Member of Council	Subscriptions	81,512	1,958
Imperial College London	Michele Dougherty	Head of Department of Physics	Article publication charges & subscriptions	19,767	5,255

**Purchases by IOP Publishing Limited in 2023**

Related organisation	Individual	Role within related organisation	Description of transaction	Purchases by IOPP in 2023 (£)	Amount outstanding at 2023 year-end (£)
The Publishers Association	Antonia Seymour	President	Membership	81,060	47,530
Self-employed	Sarah Flannigan ~	Self-employed	Consultancy	5,861	-
STM Association	Antonia Seymour	Board Members	Membership and subscriptions	82,286	8,333
	Miriam Maus				
Woodslea Ltd	Philip Clarke	Director	Consultancy	7,912	977
Cardiff University School of Physics and Astronomy	Sheila Rowan #	Member of External Advisory Panel	Sponsorship and exhibitions	1,490	-

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

**Notes forming part of the financial statements (continued)**

**26 Related parties (continued)**

**Amounts received by the IOP in 2023**

Related organisation	Individual	Role within related organisation	Description of transaction	Invoiced by the IOP in 2023 (£)	Amount outstanding at 2023 year-end (£)
Loughborough University	Claudia Eberlein	Dean of Science & Professor of Theoretical Physics	Sponsorship	5,000	-
Royal Society of Publishing	John Dainton	Editor in Chief	Sponsorship	98	-
Science & Technology Facilities Council	Sheila Rowan #	Senior Independent Member of Council	Exhibition	17,662	8,000
	Tara Shears	Science Board Chair and Council Observer			
Cardiff University	Sheila Rowan #	Member of External Advisory Panel	Exhibition	35	-
STEM Learning Ltd	Keith Burnett	Strategic Panel Member	Consultancy	7,079	-
Attendable	Catherine Grinyer	Managing Director	Donation	1,000	-
Imperial College London	Michele Dougherty	Head of Department of Physics	Sponsorship	88	-

**Purchases by the IOP in 2023**

Related organisation	Individual	Role within related organisation	Description of transaction	Purchases by the IOP in 2023 (£)	Amount outstanding at 2023 year-end (£)
University of Birmingham	Martin Freer	Director of the Birmingham Energy Institute & Director of the Energy Research Accelerator	Sponsorship	21,201	-
James Clerk Maxwell Foundation	Martin Hendry #	Trustee	Grants	2,281	2,281
University of Glasgow	Martin Hendry #	Head of School of Gravitational Astrophysics & Cosmology	Grants & Conference costs	19,115	2,492
	Sheila Rowan #	Chair of Natural Philosophy (Physics & Astronomy)			
Cardiff University	Sheila Rowan #	Member of External Advisory Panel	Grants & conference costs	12,402	1,467
Loughborough University	Claudia Eberlein	Dean of Science & Professor of Theoretical Physics	Conference costs & consultancy	2,041	-
Brunel University of London	David Delpy	Council Member	Conference costs	14,098	-
CERN European Organisation for Nuclear Research	Tara Shears	Member of the UK at CERN Committee & UK CERN Strategic Advisory Board	Conference costs	1,000	-
National Physical Laboratory	Peter Thompson	CEO	Conference costs	1,050	-
University of York	Philip Carpenter	Pro-Chancellor & Member of Council	Grants & conference costs	57,745	-
Imperial College London	Michele Dougherty	Head of Department of Physics	Conference costs	2,250	-

**The Institute of Physics**  
**Financial Statements for the year ended 31 December 2024**

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**Notes forming part of the financial statements (continued)**

**26 Related parties (continued)**

\* Resigned 30 September 2024

# Resigned 30 September 2023

– Resigned from IOP 30 September 2023 & from IOPP 7 December 2023

~ Resigned 3 March 2023

The charity did not receive any donations with conditions from the trustees or other related party (2023: £nil).

No individual listed above was involved in any way with decisions related to, or taken on, the IOP's expenditure with these related organisations in 2024 or 2023.

The Institute of Physics (IOP) is the professional body and learned society for physics in the UK and Ireland. It seeks to raise public awareness and understanding of physics, inspire people to develop their knowledge, understanding and enjoyment of physics, and support the development of a diverse and inclusive physics community. As a charity, it has a mission to ensure that physics delivers on its exceptional potential to benefit society.

The Institute of Physics is a charity registered in England and Wales (no. 293851) and Scotland (no. SC040092).

Visit us at [iop.org](http://iop.org)

**IOP** Institute of Physics

**THE INSTITUTE OF PHYSICS**

England & Wales - Charity number 293851

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# Accounts

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Conformed Copy

**IOP** Institute of Physics

**Institute of Physics  
Trustees' Annual Report  
and Financial Statements  
for the year ended 31 December 2023**

[iop.org](http://iop.org)

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## President's Foreword

Since becoming the President of the Institute of Physics (IOP) in October 2023, it has been a privilege and a delight to see firsthand the IOP's huge impact for physics, for the physics community, and for our wider society.

This has been a busy, successful, and exciting year – the final year of the Unlocking the Future strategy – and the hard work to deliver against its stretching ambitions has not let up.

Representatives from IOP have been around the table talking to policymakers in some of the most influential environments – meeting ministers, party spokespeople and senior officials from the UK, Irish, Welsh, and Scottish governments, and appearing in front of high-profile committees on topics from quantum technologies to the physics teacher shortage.

Now, more than ever, this influence matters. We influenced such vital decisions for the physics sector such as the UK rejoining the EU Horizon programme, the Irish application to join the European Organization for Nuclear Research (CERN) and significant UK spending commitments in support of quantum and semiconductors. With general elections approaching in both the UK and Ireland, and the need for physics skills and technologies becoming ever greater, it is encouraging to see the IOP's access and profile continue to grow.

But our work to unleash the potential of physics and support a thriving physics community does not stop in the corridors of power – if anything, the most important change we seek to affect happens beyond, in our schools, our universities, our communities, and our businesses.

The IOP Limit Less / Torrwch y Ffiniau campaign continued to knock down the barriers that prevent young people from underrepresented groups from pursuing physics. Among its many successes were its work to challenge tabloid newspapers over their use of stereotypes of scientists, leading to front page coverage and appearances on broadcast media, and the first Limit Less parliamentary event, attended by dozens of MPs and Lords.

We have also continued to tackle the physics teacher shortage and support our physics education, lobbying government, delivering the teacher scholarship scheme, providing classroom resources, and engaging with exam boards. And it has made the case for technical skills, launching the Solving Skills report in February 2023.

At the IOP, we are shaping the debate on the big issues for the membership. After the 'impact projects' that influenced national strategies on Quantum Technologies, and Semiconductors which together commit £3.5bn in R&D funding – and a flagship report articulating the pivotal role of Physics in the Green Economy that made waves at COP 28 – we've gathered your views on where we should be focusing next. We have been struck by the quality of responses to the call for proposals for the next wave of impact projects – and as a result have built a really strong and exciting pipeline for 2024.

I have only touched here on a small part of the work undertaken by teams in the IOP but suffice to say the breadth and energy of that work – shaped by and undertaken on behalf of the IOP's inspirational and valued members – is truly extraordinary and a privilege to be a part of.

## Group Chief Executive Officer's Foreword

In what has been my first full year as CEO of the Institute of Physics (IOP), I have been proud to see the incredible impact we have had not just for the society we serve – but also for our valued members and the wider physics community.

Our members are at the heart of everything we do and maintaining a high standard of service and creating a strong, authentic link to the ambitions and voices of our members is key to our success.

In 2023, we enhanced our digital member offer, worked with members to deliver a groundbreaking inaugural summer festival, and our Member Networks delivered over 160 events attracting over 6,500 participants. We asked our members for their views, priorities and feedback in a wide-reaching member survey, which will shape our future offer. Our Vice-President visits continued around the country, whilst our Awards programme recognised the achievements of physicists working in a broad range of physics-based endeavours.

Through IOP Publishing (IOPP), the publication of journals, books, conference proceedings and science news continues to bring high-quality physical science research to a global audience, ensuring the latest research developments are seen, shared and built upon. We made significant progress towards our commitment to make scientific research accessible to anyone who might benefit from it, publishing 28,977 journal articles, of which 46% were made open access, and achieving a 7% increase in usage of research content on IOPscience.

Alongside all this, we have raised our sights to the future. Led by the IOP Council, and working with our members and our stakeholders, we've shaped a new IOP strategy for 2024-2029: Physics for our Future.

Physics for our Future is the IOP's vision for change, setting out the action we must take to ensure physics can achieve this potential. Over the next five years, in partnership with our members, we will fight for physics skills and science for the benefit of society – to open up a better, braver, brighter future for us all.

That means we will tackle the skills shortage and open up opportunity, making sure the possibilities, knowledge and skills that physics can offer will be truly open to all.

We will strengthen physics across science, research, publishing, innovation, and technology, expanding our understanding of the world and building a more prosperous and sustainable future.

And we will build understanding of the ways physics benefits all our lives, amplifying physicists' voices in conversations with wider society and exploring the human stories of physics meeting the social challenges we face.

We will do all this together with our members, who are at the heart of everything we do, in a way that is inclusive, sustainable and works in partnership – with IOPP and with stakeholders across science, education, business and internationally.

We believe physics can make a better world for us all. We stand ready to unleash its potential, unlock opportunity, and ensure physics plays its part in tackling the challenges we face.

## **Our Objectives, Purpose and Aims**

The Institute of Physics (IOP) is the national physical society for the UK and Ireland. Our objective, as stated in our Royal Charter, is to promote the advancement and dissemination of a knowledge of, and education in, the science of physics, pure and applied, for the benefit of the public and the members of the IOP.

The trustees confirm that they have referred to the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator (OSCR)'s guidance on public benefit when reviewing the IOP's aims and objectives and in planning future activities. The IOP meets the public benefit test in the following ways:

- the advancement of education;
- the advancement of science;
- the advancement of community development; and
- the promotion of equality and diversity.

At the IOP, we work to advance physics research, application, and education, and engage with policymakers and the public, to develop awareness and an understanding of physics.

We undertake many activities to further our purposes for the public benefit, including:

- our support for learners, teachers and curriculum development, in order to support universal access to quality learning pathways – academic and technical;
- continued improvements in the quality of physics teaching in schools and colleges;
- our focus on building a more diverse, inclusive, and vibrant physics community. We actively seek to encourage students from under-represented groups to study physics beyond the age of 16, and work relentlessly to break down barriers so all pupils can have a high-quality physics education;
- our publication of journals, books, conference proceedings and science news to bring high-quality physical science research to a global audience, ensuring the latest research developments are seen, shared, and built upon. IOP Publishing Limited (IOPP) is committed to making universal access to scientific research a reality, supporting greater access, transparency and inclusivity across the physical sciences;
- our efforts to connect physicists working in all sectors, to drive innovation and support the delivery of ground-breaking technologies that will help shape the economies of the UK and Ireland;
- our work to raise public awareness of the value of physics. By showing how physics affects all of our lives, we spark interest in the subject and encourage more people to get involved in it;
- our events and conferences, which support a thriving physics ecosystem, bringing together the community from across the UK, Ireland and internationally, to share knowledge about the discipline and its applications, explore collaborations and provide networking opportunities; and
- our work to continually increase professional and ethical standards across the physics community, driving excellence and supporting inclusive workplaces.

## Our Strategy

### Unlocking the Future

Our strategy in place for the year ended 31 December 2023, Unlocking the Future, identified three key challenges that present the greatest barriers to unlocking the potential of physics and its impact in society:

**Diversity and skills:** We need a thriving, diverse physics community so everyone, regardless of background, has access to world-class physics education and training.

**Unlocking capability:** We want to ensure the UK and Ireland are able to realise the full societal and economic benefits of the new industrial era.

**Public dialogue:** We want to show the impact of physics on people's lives, to enable informed public debate on funding and policy.

To meet these challenges, we identified **six aspirations** for the changed world we wanted to see at the end of the strategy period. This is a broad and ambitious strategy and our aspirations are also ambitious.

1. Every secondary school pupil in the UK and Ireland will have access to a specialist physics teacher.
2. Girls will make up at least 30% of those taking physics at age 16–19 and there will be double the current number of young people from black and minority ethnic and lower socio-economic backgrounds.
3. There will be clear roadmaps and funding commitments from the UK and Irish Governments that propel research and development investment towards the OECD average of 2.4% of gross domestic product.
4. Double the current number of people will be employed in technical roles in physics based and engineering businesses and the number of those on physics-based science apprenticeships will have increased by a factor of 100.
5. Our publishing services to the worldwide physics community will have further improved such that the number of scientists publishing their research in our journals will grow by 25%.
6. 10% of the population will have a meaningful engagement with a physics based public event and 1% will have sustained contact with physics.

### 2024-2029 strategy: Physics for Our Future

In 2024, we will transition to our new strategy, Physics for our Future, which is set out in the *Plans for 2024* section of this report.

## **Our 2023 Activities and Impact**

### **A thriving diverse physics community for the future**

Our Unlocking the Future strategy set out the need for a thriving, diverse physics community. We believe everyone, regardless of background, should have access to world-class physics education and training. Physics knowledge and skills equip young people with the tools to change their world, lead to a wide range of inspiring and rewarding careers, and are desperately needed in our economies.

In 2023, we focussed our influence and activity on breaking down the barriers which put off young people from pursuing physics, working towards a world-class physics education for all, championing physics-related technical and vocational skills pathways, and continuing to advocate and support diverse, inclusive environments where today's physicists can thrive.

### **Working towards a world-class physics education for all**

Our work in this vital area has combined strategic policy advocacy and influencing with targeted support – often working with or through partners – for the education community.

As part of our strategic advocacy, we gave oral evidence at two high profile UK Parliamentary committees: the House of Lords Select Committee on Education's inquiry on Education for 11-16 year olds in April, and the House of Commons Education Select Committee's inquiry into teacher recruitment, retention and training, in September. Following our September appearance, we secured an op-ed in TES highlighting our asks.

We appeared before the Oireachtas Committee on Education, Further and Higher Education, Research, Innovation and Science in March to discuss the future of STEM in Irish education and, in Northern Ireland, we held conversations with the Inspectorate and the Controlled Schools Support Council on whole-school equity and specialist teacher recruitment.

We convened a roundtable attended by other science bodies, teacher training providers and senior government officials to explore strengthening the Early Career Framework for teachers, and we met with the AQA exam board to discuss teachers' and members' concerns about the difficulty of their 2023 A-level Physics exam.

We continued to work closely with relevant government departments across the UK and Ireland, including responding to a significant number of government consultations. Examples include working with the Department for Education on its pilot Engineers Teach Physics initiative, and working with the Learned Societies to make the case to Qualifications Wales and the Welsh Government for a single pathway GCSE in the sciences that maintains individual grades for each discipline.

This was complemented by the targeted support we offer educators, including approximately 2,400 teacher hours of support, delivering the Department for Education's initial teacher training scholarships programme in England, offering out 139 scholarships and our [IOPSpark](#) website and quarterly Classroom Physics magazine. We also concluded phase 1 of our pilot Physics Teacher Educator programme, which aims to build the future pipeline of world-class physics teacher educators and coaches.

## Our 2023 Activities and Impact (continued)

### Championing physics skills pathways

In February 2023, we launched our landmark Solving Skills report. The report explored the huge demand for physics-related apprenticeships in sectors from nuclear and space to digital and finance and set out the challenges preventing young people from taking up these opportunities. This led to Solving Skills summits around the UK, including national launch events in England, Scotland and Wales, roundtables in the North East and South East of England, as well as a complementary event at Science in the Senedd in Wales.

We held discussions with the Welsh Education Minister and members of the Senedd, and in Ireland, we gave evidence to the Joint Oireachtas Committee on Enterprise, Trade and Employment on the skills and apprenticeship landscape in Ireland. We supported the development of Local Skills Improvement Plans (LSIPs) in England, with a plan published in 2023 specifically mentioning IOP, A level physics and the needs of physics-powered industries.

We also continued to fund [Planet Possibility](#), our £2m careers initiative, backed by the IOP Challenge Fund, which aims to grow the pipeline of young people pursuing physics and physics-related pathways. A consortium of two universities, two charities and a social enterprise, Planet Possibility delivered events and workshops to over 3,000 young people from underserved and under-represented communities, with hundreds of teachers attending upskilling sessions and tens of thousands of visitors accessing the careers resources on its website.

### Breaking down barriers: Limit Less / Torrwch y Ffiniau campaign

Too many young people are put off physics because of stereotypes and prejudice about who can do physics. Our Limit Less campaign works to break down these barriers and open up opportunities for young people to gain the physics skills and knowledge that can help them change the world.

In 2023, the campaign went from strength to strength. To help challenge stereotypes about who can 'do' physics in the media and on social media, we launched new media guidelines, refreshed social media guidelines and a Discord forum for physics content creators. The media guide was shared by JournoResources to the tens of thousands of journalists in their networks.

Our call for the tabloid press to #BinTheBoffin made the front page of the Daily Star, drove a commitment from the Daily Mirror to keep the outdated and off-putting terms out of its pages, and earned interviews on BBC Radio 5 Live, BBC Radio 2 and Times Radio. We wrote in the Guardian about damaging stereotypes of scientists in movies, and in Physics World about the importance of campaigning on this issue.

In schools, we launched new videos and materials to explain the importance of whole-school equity, co-developed guidance for school governors and trustees, and sponsored the Governors for Schools conference on inclusion in education, which had over 200 attendees. During Careers Week, we hosted a careers day for local primary schools at our London offices, promoted our careers resources via social media, and highlighted ways to share careers messaging with young people through the Limit Less Ambassadors Scheme and our partners Founders4Schools.

We also influenced political decision makers, with the inaugural Limit Less Parliamentary Reception in June 2023 attended by over 30 parliamentarians, including the Shadow Science Minister, the Chairs of the Education and Science, Innovation & Technology Select Committees, and the Liberal Democrats' Education spokesperson.

## **Our 2023 Activities and Impact (continued)**

### **Breaking down barriers: Limit Less / Torrwch y Ffiniau campaign (continued)**

Lord Watson, a member of the House of Lords 11-16 Education Select Committee, referred to IOP research on the importance of physics to the UK economy and spoke about the need for inclusive learning environments, underpinned by mandatory Whole-School Equity Plans.

Our Limit Less TikTok videos have so far been viewed more than five million times, were Highly Commended at the Public Relations and Communications Awards and awarded a Mark of Excellence by the CIPR in their STEM award category.

Finally, our Eurekas competition this year asked entrants to tell us how physics powered their passion. We had more than double the entries received in 2022, all of which showcased a superb level of quality and creativity. The competition winner was interviewed on several local radio stations and appeared on ITV regional news.

### **Promoting diverse and inclusive physics environments**

The Bell Burnell Graduate Scholarship Fund went from strength to strength in its work to encourage greater diversity in physics. This year, the Fund supported 9 students from under-represented groups to pursue physics-based PhDs, bringing the total number of grant awardees to 29 awarding £182k in grants.

Project Juno, our flagship gender equality scheme for departments and schools of physics and related physics organisations, officially closed in June 2023. In the UK and Ireland, 45% of award holders achieved the highest award, Juno Champion, across all five nations, and in 2023 there were 53 Juno Award holders. The scheme has been succeeded by a new inclusion award that will encompass the breadth of challenges within the physics community in higher education. A pilot scheme for the award was launched in November 2023, with participants from 11 different universities across the UK and Ireland testing the criteria and online platform. Following positive feedback, the new [Physics Inclusion Award](#) launched in April 2024.

We appointed a new Representative to Council on Diversity and Inclusion, Dr Clara Barker, who took on the role from Professor Helen Gleeson. This important role provides advice and challenge to the IOP governing Council, and the IOP more widely, on inclusion and diversity issues.

We established a group of eight advocates and welcomed nine new steering group members to the LGBT+ Physical Sciences Network, our cross sector initiative with the Royal Astronomical Society and the Royal Society of Chemistry. We also held the Conference for Undergraduate Women and Non-Binary Physicists in Liverpool in March, with over 200 physicists joining us for talks, tours and outreach activities to support and encourage their choices for their educational and professional futures.

### **Unlocking the value of physics to society and the economy**

Alongside our work to close the physics skills gap and open up physics to all, we have worked to strengthen physics research, science and innovation and unleash its potential to transform society.

We have influenced the biggest issues affecting physics from UK membership of Horizon Europe and Irish membership of CERN, to the future of key sectors such as quantum, semiconductors and the green economy – and the multi-billion-pound long-term investments needed to keep pace.

## **Our 2023 Activities and Impact (continued)**

### **Unlocking the value of physics to society and the economy (continued)**

In 2023, we met the then UK Science Minister George Freeman, Government Chief Scientific Advisor Dame Angela McLean, the Scottish Chief Scientific Advisor Professor Julie Fitzpatrick, and others, as well as the chairs of key research councils. We attended the Liberal Democrat, Conservative, Labour, and SNP party conferences and held our Business Awards parliamentary reception in October, and our reaction to the UK Spring Budget appeared in the Financial Times.

And, as set out throughout this report, we have met key decision makers and influenced national debates on some of the areas most important to the physics community, from our work on Limit Less and whole school equity to the teacher shortage and the potential of quantum technologies horizon.

We were part of a broad coalition of organisations that kept the pressure on the UK government to reach an agreement with the EU to enable the UK to join the Horizon Europe funding programme. With the Royal Society of Biology and the Royal Society of Chemistry, we wrote to the Prime Minister and the Chancellor, and joined the science and R&D sector in a joint open letter calling for Horizon association. In September, the UK government finalised a bespoke new agreement through which the UK will be participating as a fully associated member for the remaining life of the programme to 2027.

### **Irish membership of CERN**

In 2022, the Irish government renewed its near decade-old commitment to securing Ireland's membership of CERN. The IOP built upon this new momentum in 2023 with sustained lobbying of TDs and Senators, the Oireachtas Committee, the Further and Higher Education, Research, Innovation and Science Minister Simon Harris, and officials to secure the necessary budget commitment to progress.

We assisted the Department for Further and Higher Education, Research, Innovation and Science with the application for associate membership which was submitted and accepted for consideration at the CERN Council's meeting in December 2023, with an inspection process in 2024. We will be seeking representation on a proposed governmental advisory group to ensure the full benefits of membership are achieved and the opportunity of a deeper relationship in future delivered.

### **Impact projects: Shaping the Debate**

As part of our work to ensure the health of physics and its application, we have been building our capacity to shape the debate on matters important to our members and the wider physics community.

In 2023, our impact projects allowed us to influence senior stakeholders, raise the profile of physics and understand the key issues affecting different areas of physics in three areas: Quantum Technologies, Semiconductors and Green Economy. We also consulted with our membership on the future priorities, and identified opportunities for projects in 2024 on Space Technologies and Venture Capital, with work in train to further articulate opportunities around Metamaterials, Artificial Intelligence, and Medical Physics.

## Our 2023 Activities and Impact (continued)

### Impact projects: Shaping the Debate (continued)

**Quantum Technologies:** Our first impact project involved more than 100 members and culminated in the November 2022 report [A Vision for Quantum Technologies in the UK](#). The report was cited by senior Treasury figures as shaping the government's 10-year £2.5bn National Quantum Strategy, announced in the 2023 Spring Budget. IOP gave evidence at the Science and Technology Select Committee inquiry on Commercialising Quantum Technologies and hosted a dinner for senior stakeholders following the launch of our 2024-2029 strategy: Physics for Our Future.

We were also invited to sit on a new Quantum Skills Task Force, chaired by outgoing President Professor Sheila Rowan CBE FRS FRSE Hon FInstP.

**Semiconductors:** Together with the Royal Academy of Engineering, we published [UK Semiconductor Challenges and Solutions](#) at the beginning of 2023 following a summit in 2022 with key figures from the physics community and industry. The report went into detail on some of the challenges the industry faces and the opportunity for the UK to claim its place in this vital sector, and was welcomed by policy officials developing semiconductor strategy. It was closely followed by the announcement of a National Semiconductor Strategy, backed by £1bn in initial funding, which the IOP recognised as a 'step in the right direction'. It led to an interview on BBC Radio 5 Live as well as a feature on BBC Radio 4's Today Programme and coverage in the Financial Times.

**Green economy:** We launched the report [Physics Powering the Green Economy](#), as the main output and flagship impact project for 2023, in November, on the eve of COP28. Featured in the Times and Physics World, the report highlights the central role of physics in the green economy of today and sets out action needed to accelerate the green economy of tomorrow.

With forewords by Sir Alok Sharma KCMG MP, COP 26 President, and Professor Martin Freer, the IOP's outgoing Vice-President for Science and Innovation, it consolidated views from over 500 IOP members and 10 special interest groups, underpinned by original data insights from IOP.

We presented the report to influential stakeholders at COP 28, and to the UK government's Chief Scientific Adviser, Angela McLean, who subsequently supported a session to discuss key aspects of the report with the cross-government network of Chief Scientific Advisors - who identified opportunities for building on the report's findings. A second phase of work in 2024 will build on these opportunities.

### Africa-UK Partnership

Over the past four years, we have led a UK and African partnership to develop a climate and energy-focused programme. The programme will build physics research and innovation capacity in a number of Sub-Saharan African countries and encourage stronger collaboration with physicists in the UK. We continued to work on this during 2023 alongside colleagues in the UK's Science and Technology Facilities Council (STFC) and the UK government announced funding for the programme in March 2024. The IOP will host and sit on the Advisory Board for the new partnership.

## Our 2023 Activities and Impact (continued)

### Inspiring informed public conversations and engagement

In summer 2023, families in Dublin and London joined our **annual exhibition** to go on Mimi's Rainbow Adventure. Based on a newly written storybook of the same name, the exhibitions explored big questions about science through the lens of the Limit Less campaign. Families enjoyed hands-on activities and opportunities to meet friendly physics role models at our London building, a Trinity College Dublin-owned community hub, libraries, street festivals and community spaces. This work then facilitated further public engagement as part of science festivals in Northern Ireland and Wales.

Our pilot public dialogue programme, **Communities in Conversation**, concluded in 2023 with multiple sessions in each of Coventry, Belfast, and Inverness. The programme, facilitated by dialogue specialists from Belong, connected public participants from communities that are currently under-represented in physics together with local physicists from academia and industry. The learning from this programme will continue to inform the IOP's public dialogue work as we look forward to our new strategy and new ways to connect communities with physics and vice versa.

We returned to the **Eisteddfod** in 2023, hosted in Boduan in North Wales. We worked with committee members to design activities that integrated our Limit Less messages, and the team interacted with thousands of attendees including politicians, teachers and families, with most attendees being Welsh speakers from rural communities in North Wales. Building on this success, our IOP Wales team will be joining the Science and Technology Committee representing the priorities for 2024's Eisteddfod in Pontypridd.

Between June and September, our IOP Scotland team took the Limit Less values across rural areas to **engage rural communities** in Scotland, attending three Highland Gatherings and the International Ayr Show. At each of these events the team offered free, hands-on activities from our Superheroes Unlimited resources for families from typically underserved communities.

### Our members

Our 21,000 members are at the heart of everything we do. Along with the valuable member engagement we had across many of our 2023 projects, described elsewhere in this report, we focused on supporting and developing our members' experience of the IOP, as well as a successful member retention programme which saw 89% of members renewing their membership.

We enhanced the **digital member experience**, redesigning and migrating membership.iop.org into our main site to showcase membership and provide tailored paths to becoming a member. This integration improved the experience for both existing members and prospective IOP joiners, allowing them to access essential information in a user-friendly manner.

In partnership with members, we delivered a **groundbreaking event programme**, with over 400 people attending the inaugural summer festival, the Celebration of Physics, in Bristol, with an engaging programme of talks and a visit from local school children, who were enthralled to see examples of how physics impacts on their life. Our Conferences team organised the first UK Space Weather and Space Environment Conference, with the Science and Technology Facilities Council (STFC)'s RAL Space and the Met Office. We collaborated with partners to deliver The Physics of Life conference, attracting 441 attendees, and our largest event was the AIRAPT (International Association for the Advancement of High Pressure Science and Technology) and EHPRG (European High Pressure Research Group) conference in Edinburgh, with 458 attendees.

## Our 2023 Activities and Impact (continued)

### Our members (continued)

Our **Member Networks** (Groups, Nations, and Branches) delivered 160 events across the UK and Ireland, attracting over 6,500 participants, with 78 events from our Special Interest Groups alone. A new Space Special Interest Group was established and will launch in 2024. We had the highest number of nominations to join Groups, Nations, and Branches committees since 2018, when we began recording numbers.

Our Council continued the successful programme of **Vice-President visits**, with visits in Oxfordshire, Cambridge, and Nottingham, where Vice-Presidents had the chance to meet members, the local committee, and key stakeholders in the region.

Our **professional standards** work continued to deliver, with a revised Degree Accreditation scheme successfully piloted and rolled out, and six universities gaining accreditation under the new requirements. We implemented our new Professional Registration Adviser (PRA) scheme, which allows members applying for professional registration with the IOP to draw on the support and guidance from an experienced professional registration panellist. We have already matched applicants with PRAs, and in 2024 we aim to build on the positive introduction.

The **IOP Awards** once again celebrated the people, organisations and achievements that make physics such an exciting discipline. In 2023, we recognised the achievements of 59 awardees including researchers, teachers, industrialists, technicians, and apprentices. We welcomed award winners from 2020, 2021 and 2022 to our Celebration of Physics, with formal presentation of awards that had not been possible during the Covid 19 pandemic. We also carried out a review of our awards to explore how we could increase nominations and do more to encourage diversity, with the recommendations being implemented in the next round of awards.

IOP's Accelerator in Kings Cross is an affordable workspace for physics-powered start-ups working across a variety of sectors (e.g. quantum, space, medical and energy). It provides serviced office space, along with highly presentable meeting rooms for first contact with investors. Being based at the IOP also enables businesses to capitalise on our regular business briefings and vast network in business, finance and academia.

### A strong, sustainable IOP

None of the impact we have at the IOP is possible without a strong, sustainable organisation which can work efficiently, effectively and in partnership to deliver our strategy.

In 2023, we developed a **new 2024-2029 strategy** to set out our goals and guide our work from 2024 onwards. An evolution of the Unlocking the Future strategy, it reaffirms and resets our ambition for a thriving, diverse physics community, now and in the future, that can ensure physics delivers on its potential for society in a changing world. We engaged with our members through conversations and through our all-member survey, as well as key stakeholders. The strategy was agreed by the IOP Council in December 2023.

The IOP's sustainability is a key feature of the new strategy; this includes financial sustainability. As IOP Publishing (IOPP) transitions to Open Access publishing, our emphasis is on ensuring we are well placed to provide high-quality service and operational excellence that delivers long term impact, value, and recognition to the scientific community. As we invest in this journey there will be a long planned for drop in gift aid to the IOP. This will require us to review how we operate and also as per our long term planning use our reserves to make up any deficit. This will be reported on in more detail in 2024.

We launched Level 3 and Level 5 Management Apprenticeships for staff, in partnership with ITEC The Centre. Following completion, staff can opt to pursue a Chartered Management Institute qualification. We were delighted to receive formal accreditation as a Living Wage Employer. We also leased a new office in Cardiff.

## Our 2023 Activities and Impact (continued)

### IOPP

IOPP is a wholly-owned subsidiary of the IOP and a leading international scientific publisher, working to expand the world of physics by providing impact, recognition and value for the scientific community and ensuring greater access to scientific knowledge.

IOPP is committed to making scientific knowledge more open and accessible and is investing in the people, data and technology that will help it succeed in an open future. There are three areas of focus that underpin its strategic ambitions - encouraging greater uptake of open access publishing, providing outstanding publishing services to researchers and improving the discoverability and impact of research.

Open access content made up 46% of IOPP's total journal output in 2023 compared to 41% the year before. 31% of IOPP's open access output in 2023 was published under Transformative Agreements. A Transformative Agreement is a contract with an institution that provides both reading and publishing services and transitions the business model towards a fully open access one over time. The agreements enable researchers to publish their research open access at no cost to them as the fees and administration are taken care of by their institutions. By the end of 2023, IOPP had Transformative Agreements in place with over 940 institutions in 34 countries (2022: over 500 institutions in 23 countries).

Its portfolio of fully open journals continued to grow with the launch of three new journals publishing cutting-edge research in vital areas of environmental science and it supported its partner, the Japan Society of Applied Physics to transition Applied Physics Express (APEX) to fully open access.

Over the course of the year, 28,977 articles were published and 77.6 million articles were downloaded from its content platform, IOPscience. The ebook programme expanded with the addition of 110 new titles and 140,477 downloads of content. We published the proceedings of 449 conferences in 2023 (2022: 510 conferences) – with all papers published open access and conference content was downloaded 29.9 million times (2022: 26.4 million times).

Ensuring the quality and efficiency of the peer review process remained a priority. As part of the [Peer Review Excellence: IOP training and certification](#) programme, 4,082 additional researchers received IOP Trusted Reviewer Status throughout the year, building on the 10,000 milestone reached in 2022 and increasing the percentage of female Trusted Reviewers and Trusted Reviewers from Asia, China, Central and South America, The Middle East and Africa. In addition, 1,150 people completed peer review training through IOPP's elearning hub, which gives researchers around the world the option to build their peer review competency online, for free.

Driven by the commitment to ensuring an inclusive and supportive review process, IOPP rolled out Co-Review across all owned journals and a selection of partner titles. This reviewer mentoring scheme promotes engagement of early-career researchers, whose group make-up is more diverse than that of their more senior colleagues, and ensures that all reviewers get the credit they deserve. Nearly 1,000 researchers have now co-reviewed with a colleague. In addition, IOPP introduced feedback for reviewers to enhance the quality of peer review and to strengthen best practice in the physical sciences. Over 7,000 reviewers have already opted in to receive feedback on their reports since IOPP extended the programme to all its owned journals in September 2023.

To recognise the vital contribution reviewers make to the publishing process, IOPP's reward programme offers reviewers a 10% discount on the cost of publishing an article in any IOP journal on a gold open access basis.

IOPP was awarded the [2023 Association of Learned and Professional Society Publisher's \(ALPSP\) Impact Award](#) for its efforts to make peer review more equitable while delivering greater transparency, with the introduction of double-anonymous and transparent peer review across all its open access journals. Together these two processes complement each other, allowing for maximum objectivity during the review process, and maximum transparency after publication.

## Plans for 2024

We launched our new five year strategy, Physics for our Future, in February 2024.

Developed in partnership with our members, its focus is simple: **skills, science, and society**. Making sure we have the physics skills we need for our future, unlocking the potential of physics science and innovation, and, ultimately, ensuring that physics can offer the widest possible benefit to all parts of our society.

### Our goals

**Skills:** The opportunities, knowledge, and skills that physics can offer will be truly open to all – so we can better understand our world, shape rich and inspiring futures, and build thriving, resilient societies, and economies.

**Science:** Strengthen physics across science, research, innovation, and technology to enhance our understanding of the world and help current and future generations to live more prosperously and sustainably.

**Society:** Increase understanding of the ways physics benefits all our lives by amplifying physicists' voices in partnerships and conversations with wider society, and exploring the human stories of physics meeting the social challenges we face.

To achieve these goals, our strategy will be guided by four fundamental principles – to be member-focused, inclusive, sustainable and to work in partnership – including deepening our collaboration with IOP Publishing (IOPP).

### Our principles

- **Member-focused:** Members are at our heart and integral to our success.
- **Inclusive:** Physics must welcome, include, and reflect all parts of our diverse society.
- **Sustainable:** For our environment, our community, and our financial foundations.
- **Partnership:** Working together with partners every step of the way helps us achieve more together and we will deepen our collaboration with IOPP.

### Transition and sustainability

2024 is our transition year from our previous strategy to this new strategy. This new strategy is an evolution from our existing strategy, and much of our work will continue in an adapted form to help us achieve these three key goals. Some of our previous work will stop and in some areas we will begin new projects and activities.

As we map out our work plan for our new strategy, we will also continue our work to adapt to a sustainable financial future for physics, for our members and for society.

IOPP's emphasis continues to be on making access to physics research universal. To do this effectively, IOPP is developing even deeper relationships with the scientific community, delivering service excellence, and striving for inclusivity at every step of the publishing process. The transition to an open future is central to our vision of being a trusted partner in the advancement of high-quality research that delivers social and economic benefit to the world.

## **Structure, Governance and Management** **(including Reference & Administrative Details)**

### **Constitution and Governing Document**

Tracing our roots back to 1874 and the Physical Society of London, but originally incorporated in 1920, the Institute of Physics (IOP) as currently constituted was established by Royal Charter (as subsequently amended) on 30 September 1970. This Royal Charter, which is supplemented by Bylaws and Regulations, is our governing document.

### **Registered Details**

The IOP's registered name is the Institute of Physics and our principal office address is 37 Caledonian Road, London N1 9BU.

The IOP is a charity registered in both England and Wales (no. 293851) and in Scotland (no. SC040092) and is therefore regulated by both the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator. The Charity Commission for England and Wales is our lead regulator.

We have applied for registration as a charity in the Republic of Ireland and have submitted an Expression of Intent for registration as a charity in Northern Ireland.

### **Banking Services and Professional Advisers**

Those providing banking services to the IOP Group are:

HSBC Bank PLC, 62 George White Street, Cabot Circus, Bristol, BS1 3BA

Details of the IOP Group's professional advisers are as follows:

#### **Independent Auditors**

PricewaterhouseCoopers LLP, 2 Glass Wharf, Temple Quay, Bristol BS2 0FR

#### **Investment Advisers**

Hymans Robertson LLP, One London Wall, London EC2Y 5EA

#### **Tax Advisers**

Deloitte LLP, 3 Rivergate, Temple Quay, Bristol BS1 6GD

#### **Solicitors**

Eversheds Sutherland, 1 Callaghan Square, Cardiff CF10 5BT

There is, however, no sole appointed solicitor or formal panel of solicitors.

#### **Internal Auditors**

Crowe UK LLP, 55 Ludgate Hill, London EC4M 7JW

### **Annual General Meeting**

Each year the IOP holds an Annual General Meeting, the rules of which are set out in the Bylaws and Regulations, at which all members are entitled to attend and vote. Membership fees and the appointment of the auditors are approved by the membership at the Annual General Meeting.

## Structure, Governance and Management (continued)

### The Council (Board of Trustees)

As set out in the Royal Charter, we are governed by our Council. This consists of trustees elected from, and by, the membership, and up to three co-opted trustees who are appointed by the Council itself.

All members of the Council are trustees of the IOP. The Council has the ultimate responsibility for directing our affairs, ensuring that we are solvent, well-run and delivering the charitable outcomes for the benefit of the public for which the Charity has been established. The Council sets and monitors our strategy which delivers these charitable outcomes.

Of the elected trustees, there are four senior officers and currently four vice-presidents. The senior officers are the President, President-elect, Honorary Secretary and Honorary Treasurer. The current four vice-presidents are for Business, Education and Skills, Membership, and Science and Innovation. There are ten additional elected General Trustees.

Co-opted trustees are appointed as needed to bring additional skills and capabilities as required.

There are currently nineteen trustees on the IOP Council (including one co-opted trustee).

The Council has also appointed a representative to advise it on equality, diversity, and inclusion matters. The appointee is not a trustee or member of Council. This representative was Professor Helen Gleeson until 30 September 2023 when she stood down at the end of her term and was replaced by Dr Clara Barker for a three-year term until 30 September 2026.

The Council generally has four scheduled meetings per year, with ad-hoc meetings as needed. All trustees give their time voluntarily and are not remunerated for their work on behalf of the IOP beyond the reimbursement of reasonable expenses.

### Elections to Council

The rules governing the election of trustees are set out in the Bylaws. At the start of each year, the number of vacancies that will arise that year is identified. With delegated powers from the Council, the Nominations Committee then evaluates the balance of skills, knowledge, experience, and diversity of trustees and, in the light of that evaluation, prepares a description of the role and capabilities required for each particular vacancy on the Council. A notice of vacancies, along with role descriptions, is published and members are able to nominate themselves.

The Nominations Committee then assesses the nominations received from members to confirm eligibility and that candidates meet the skills and expertise sought. Where there is more than one nomination for any vacancy, a ballot takes place. Where there is only one nomination for any vacancy, that nominee is deemed elected, assuming they meet the eligibility and skills and expertise sought.

Trustees generally serve one four-year term. Exceptions to this are the President who serves a two-year term plus two years immediately preceding that as President-elect, and the Honorary Treasurer and Honorary Secretary, who are eligible to stand for election for a second four-year term. A Co-opted Trustee will have a term of office as determined by the Council, but which may not (unless expressly authorised by the President in writing) exceed three years.

### Induction and Training of Trustees

Formal induction is given to all new trustees, who are invited to attend a meeting with the President, Treasurer and IOP staff as part of the induction process. Trustees are also provided with training on key topics of interest during their term of appointment.

## Structure, Governance and Management (continued)

### Conflicts of Interest

Trustees have a duty to declare conflicts of interest so that they can ensure that at all times they are taking decisions that are in the best interests of the IOP.

We maintain a register of trustees' interests, which is updated annually by trustees and as any changes are reported.

Procedures are in place for managing conflicts of interest that may arise during Council meetings.

### Details of Trustees

Details of the trustees at the date of this Report are as follows.

There are no corporate trustees or trustees holding property for the IOP.

Role	Name	Appointment Date	Retirement Date
President	Professor Sir Keith Burnett CBE FRS CPhys FInstP FLSW	1 Oct 2023	30 Sep 2025 <sup>1</sup>
President-elect	Professor Michele Dougherty CBE FRS FInstP FRAS FRSSAf	1 Oct 2023	30 Sep 2025 <sup>2</sup>
Honorary Secretary	Professor Alison McMillan CEng CPhys FInstP FIMechE FHEA	1 Oct 2021	30 Sep 2025 <sup>3</sup>
Honorary Treasurer	Professor David Delpy CBE FRS FREng CPhys FInstP FMedSci	1 Oct 2019	30 Sep 2027 <sup>4</sup>
Vice-President for Business	Dr John Bagshaw CEng CPhys FInstP FRAeS	1 Oct 2020	30 Sep 2024
Vice-President for Education and Skills	Dr Lisa Jardine-Wright OBE CPhys FInstP	1 Oct 2020	30 Sep 2024
Vice-President for Membership	Dr Elizabeth Cunningham MInstP FRAS	1 Oct 2021	30 Sep 2025
Vice-President for Science & Innovation	Professor Tara Shears FInstP	1 Oct 2023	30 Sep 2027
General Trustees	Rosalie Benjamin MInstP	1 Oct 2021	30 Sep 2025
	Professor Philip Burrows CPhys FInstP	1 Oct 2021	30 Sep 2025
	Dr Jane Clark CSci CEng CPhys FInstP FRAS	1 Oct 2023	30 Sep 2027
	Professor John Dainton FRS CPhys FInstP FRSA	1 Oct 2021	30 Sep 2025
	Professor Claudia Eberlein CPhys FInstP	1 Oct 2020	30 Sep 2024
	Dr Hana Krizek MInstP	1 Oct 2023	30 Sep 2027
	Professor Sir John Roy Sambles CPhys Hon.FInstP	1 Oct 2023	30 Sep 2027
	Dr Peter Thompson FREng CEng FInstP FRSC	1 Oct 2022	30 Sep 2026
	Dr Melissa Uchida MInstP	1 Oct 2022	30 Sep 2026
	Jane Weir CSci CPhys MInstP	1 Oct 2021	30 Sep 2025
Co-opted Trustee	Dr Yvonne Kavanagh CPhys MInstP	1 Oct 2022	30 Sep 2024

<sup>1</sup> Was President-elect from 1 Oct 2021 to 30 Sep 2023

<sup>2</sup> To be President from 1 Oct 2025 to 30 Sep 2027

<sup>3</sup> Eligible to stand for election for a second term.

<sup>4</sup> Elected in 2023 for a second four-year term.

## Structure, Governance and Management (continued)

### Details of Trustees (continued)

Details of the trustees during the reporting period but who have now retired are as follows:

Role	Name	Appointment Date	Retirement Date
President	Professor Sheila Rowan CBE FRS FRSE Hon FInstP	1 Oct 2021 <sup>5</sup>	30 Sep 2023
Vice-President for Science & Innovation	Professor Martin Freer FInstP	1 Oct 2019	30 Sep 2023
General Trustees	Dr Gayle Calverley-Miles CSci CPhys MInstP MBCS MIScT	1 Oct 2019	30 Sep 2023
	Professor Martin Hendry MBE FRSE FInstP	1 Oct 2019	30 Sep 2023
	Dr Alix Pryde FInstP	1 Oct 2019	30 Sep 2023

### Trustee Evaluation and Skills Audit

A trustee evaluation survey was undertaken in April 2023 and reported to Council in June 2023. This followed on from a similar survey undertaken in 2022. Key strengths from this survey were the chairing of Council meetings, the programme of induction and training given to trustees, mutual trust and openness, approach to diversity supporting effectiveness, leadership and decision making, informed, rigorous, and timely decision-making processes, and clear minutes. Areas to address included length and frequency of meetings, reporting from committees, working as an effective team using the appropriate balance of skills, experience, backgrounds, and knowledge to make informed decisions, understanding and resources, diversity of membership, and length and clarity of papers.

At the same time as the trustee evaluation survey, a trustee skills audit was also undertaken. Findings from this included that there were key strengths in further/higher education (including apprenticeships), outreach and engagement and strategic planning. Skill areas to address included charity regulation, campaigns, fundraising, and business leadership.

### Trustee Code of Conduct

In 2022, we adopted a new Trustee Code of Conduct which was then updated in 2023 and has been signed by all of our trustees. This sets out the standards and practices expected of all our trustees, in order to ensure that the highest standards of integrity and stewardship are achieved, that the IOP is, and is seen as, effective, open and accountable, and that the working relationship between the trustees, employees, our members and volunteers is productive and supportive.

### Bylaws

In 2023, we undertook a review of our Bylaws to ensure they remain robust, reflect best practice and are appropriate for the IOP as we move forward with our strategy. Those Bylaw changes were approved by the members in a Special General Meeting held in September 2023 and were subsequently approved by the Privy Council in February 2024.

### Regulations and IOP Code of Conduct

In 2023, we updated our Regulations and IOP Code of Conduct.

<sup>5</sup> Was President-elect from 1 Oct 2019 to 30 Sep 2021

## Structure, Governance and Management (continued)

### Decision-making and delegations

Key strategic decisions affecting the IOP are made by Council but, in the interests of good governance and efficient management, it delegates consideration of matters in specialist areas to its committees under agreed terms of reference. It also delegates powers for executive and management decisions through the IOP Scheme of Delegation. Details of the committees and senior management team are provided on the following pages.

### Committees

The Council has a number of committees with delegated powers, thus ensuring that the required time and attention is applied to overseeing specific areas of interest. The terms of reference, delegated powers and membership of these committees are set by the Council. Committee membership is not limited to trustees, thus allowing for both wider representation from the membership and receipt of specialist external advice where appropriate.

The formal governance committees as at 31 December 2023 are set out on the following page and are marked in red.

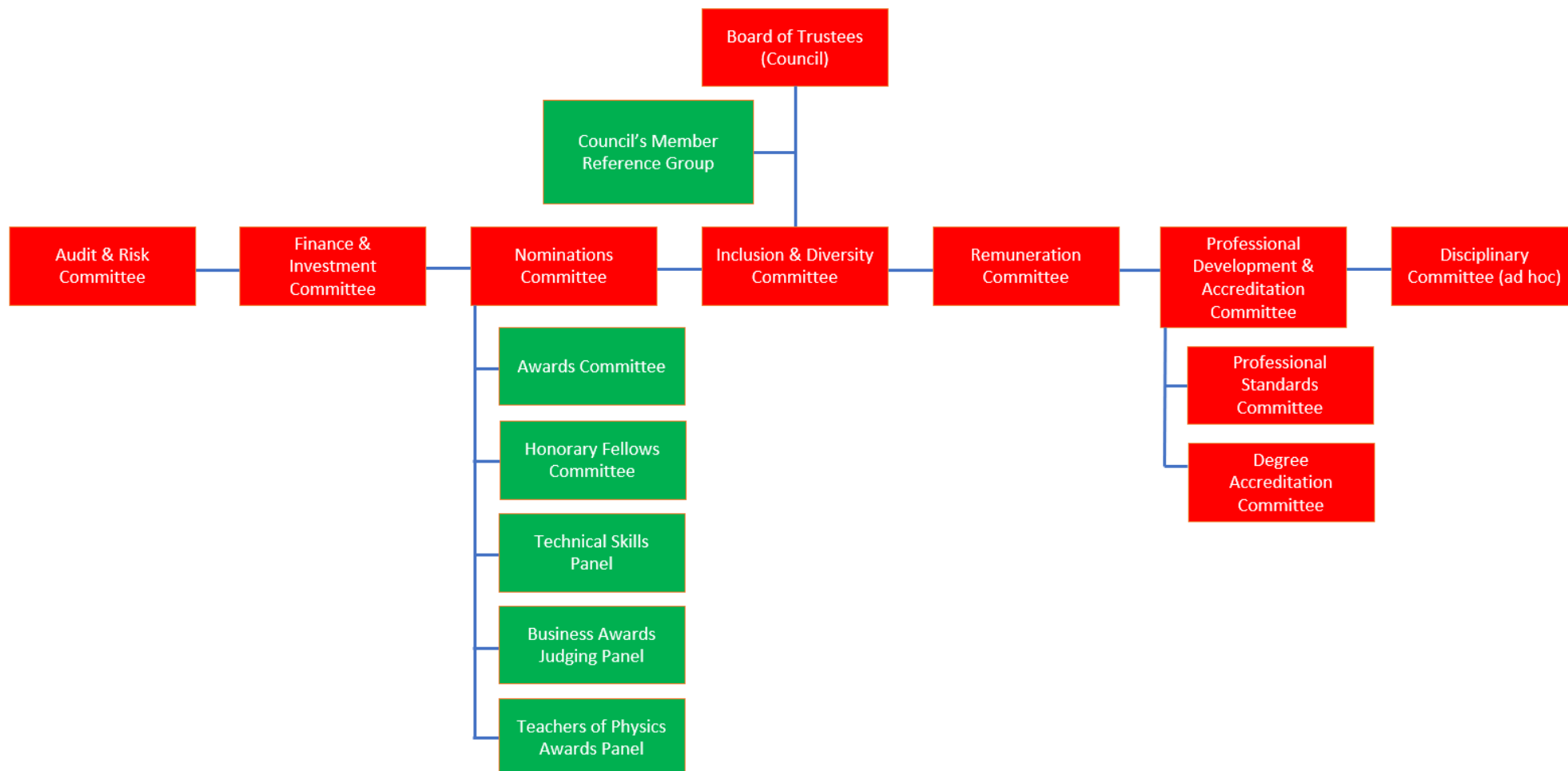
### Council's Member Reference Group

The Council's Member Reference Group (CMRG) was established in 2022, following the Governance Review in 2021 where Council expressed a desire to hear more directly from the membership on matters that impact them and increase the opportunity for two-way conversations. The CMRG held two meetings in 2023 and addressed matters including professional registration and CPD, developing the IOP's relevance in a changing skills and employment environment, and the IOP strategy and member survey. It is made up of representatives from diverse membership groups including Women in Physics, Retired Members, and the Physical Sciences LGBT+ Network.

In 2023, the CMRG was Chaired by Keith Burnett (then President-elect) until October, with Elizabeth Cunningham, Vice-President for Membership, as Vice-Chair. From October 2023 it has been Chaired by Michele Dougherty.

## Structure, Governance and Management (continued)

### IOP Council and Committee Structure



Formal governance committees are shown in red.

## Structure, Governance and Management (continued)

### Executive Management

The day-to-day management of the IOP Group's activities is delegated to the Group Chief Executive Officer, supported by an executive management team.

The day-to-day management of publishing activities is delegated to the Chief Executive of IOP Publishing Limited. IOP Publishing Limited has its own board of directors and a number of subsidiary undertakings that support the delivery of the publishing programme.

The Group Executive Management Team in 2023 and to the date of this report was:

Role	Name
Group Chief Executive Officer	Tom Grinyer
Group Chief Financial Officer	Sukhraj Dhadwar FCCA
Deputy Chief Executive, IOP	Rachel Youngman (Until 1 March 2024)
Interim Director of People and Organisational Development, IOP	Andrea Barber (From 13 March 2024)
Director of Policy and Public Affairs, IOP	Tony McBride
Director of Science, Innovation and Skills, IOP	Louis Barson
Chief Executive, IOP Publishing Limited	Antonia Seymour

### Remuneration of the Group Executive Management Team

The pay and remuneration of the Group Executive Management Team is set and monitored on behalf of Council by the Remuneration Committee. The Committee comprises the President, President-elect, Honorary Secretary, Honorary Treasurer, and separately appointed external advisors. The Committee commissions, each year, relevant external benchmarking information from both the publishing and charity sector to support its decision-making and, when necessary, takes additional advice from specialist organisations. Please see note 10 to the Financial Statements for further information.

### Group Corporate Structure

The IOP has a number of subsidiary undertakings, as outlined below and in the following structure chart.

To ensure clarity and appropriate governance, there are a number of agreements in place that define and describe the provision of intra-group services.

The main trading subsidiary undertaking of the IOP is IOP Publishing Limited (commonly known as IOPP).

IOPP is a wholly owned subsidiary of the IOP and is incorporated in England and Wales. Its principal activity is the publication and distribution of high-quality scientific journals, books, conference proceedings and scientific news services.

IOPP has a number of further trading subsidiary undertakings as follows:

#### IOP Publishing Consultants (Beijing) Co. Limited

IOP Publishing Consultants (Beijing) Co. Limited is a wholly owned subsidiary of IOPP and is incorporated in China as a wholly foreign-owned enterprise (WFOE). Its principal activity is to provide services to IOPP, including publishing consulting, electronic technology consulting, business consulting, market information consulting, and corporate management consulting.

#### IOP Marketing and Promotion Services Private Limited

IOP Marketing and Promotion Services Private Limited is 99.99% owned by IOPP, with the remaining 0.01% of share capital owned by the IOP.

It is incorporated in India. Its principal activity is promotion and marketing services for IOPP.

## Structure, Governance and Management (continued)

### Group Corporate Structure (continued)

#### Turpion Limited

Turpion Limited is a wholly owned subsidiary of IOPP and is incorporated in England and Wales. The principal activity of Turpion Limited is under review.

#### Turpion-Moscow Limited

Turpion-Moscow Limited is incorporated in Russia and is a wholly owned subsidiary of Turpion Limited. Its principal activity is to provide publishing services to IOPP.

#### IOP Publishing Moscow LLC

IOP Publishing Moscow LLC is 99% owned by IOPP and 1% owned by Turpion Limited. Its principal activity is to provide publishing services to IOPP.

The local office in Russia was closed on 31 March 2023, and, aside from the General Director of each entity who is required by Russian law, there are no longer any local employees in Russia. IOP Publishing Moscow LLC and Turpion-Moscow Limited are no longer carrying out any business activities in Russia and the directors have made the formal decision to liquidate these entities. The process to liquidate these entities has started and the IOP Group will comply with all applicable sanctions throughout this process, however the liquidation is expected to take around 12 months to complete.

IOPP has a branch in Japan which is non-incorporated.

The IOP also has the following trading subsidiary undertakings:

#### IOP Publishing Inc.

IOP Publishing Inc. is a not-for-profit corporation of which the IOP is the sole corporate member. It is incorporated in the USA. Its principal activity is to provide publishing services to IOPP. All such services are provided solely in support of our charitable and educational activities.

#### IOP Business Publishing Inc.

IOP Business Publishing Inc. is a wholly owned subsidiary of IOP Publishing Inc. and is incorporated in the USA. Its principal activity is to provide advertising-sales services.

With the exception of IOP Marketing and Promotion Services Private Limited and IOP Publishing Moscow LLC, all companies are wholly owned subsidiaries of their immediate holding company.

There are two further Group subsidiary undertakings, both of which are currently dormant.

These are:

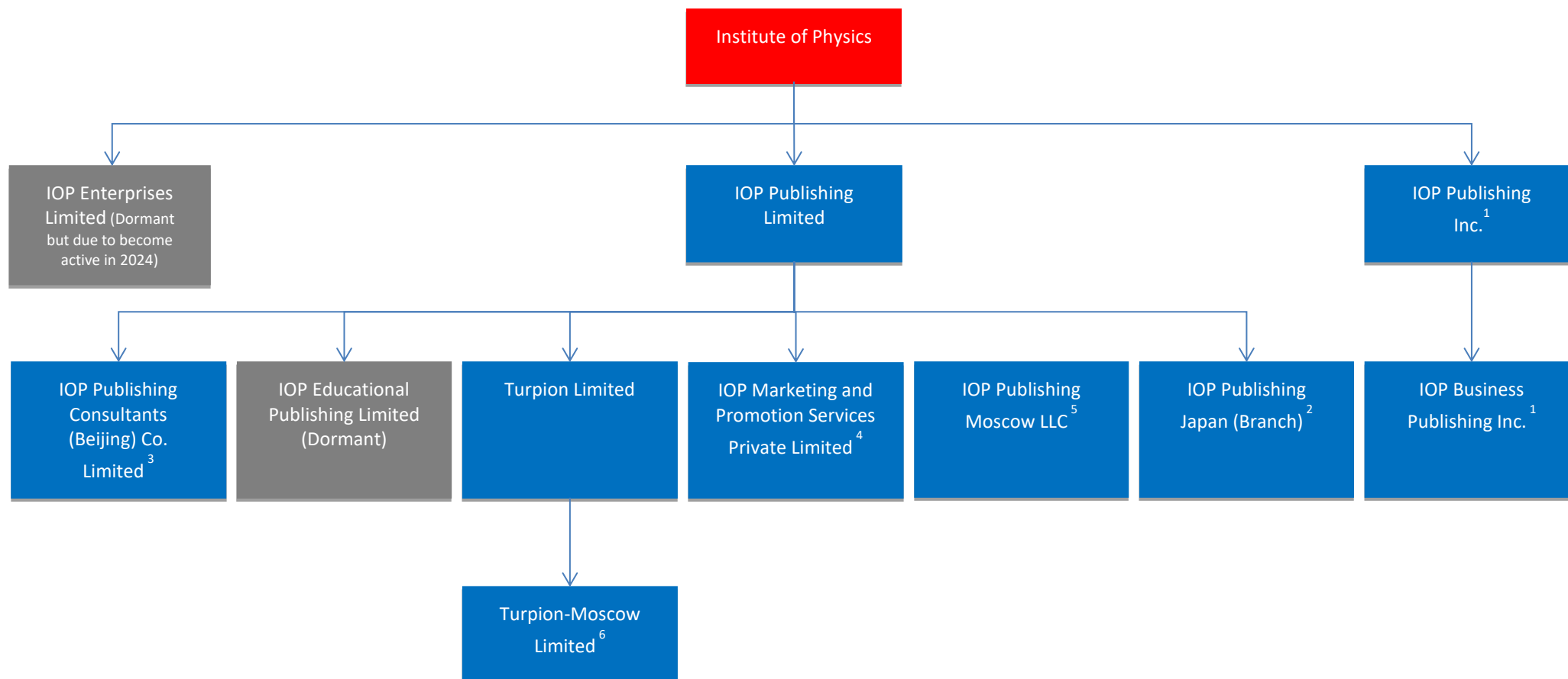
#### IOP Educational Publishing Limited

#### IOP Enterprises Limited

As part of our plans to diversify our income to ensure that it achieves the funding requirements to deliver our new strategy, IOP Enterprises Limited is due to become active during 2024. It will carry out trading activities relating to events, catering and room hire, with any taxable profits being paid to the IOP under the gift aid scheme.

## Structure, Governance and Management (continued)

### IOP Group Corporate Structure



- 1 – Incorporated in USA
- 2 – Japanese Branch (non-incorporated)
- 3 – Incorporated in China

- 4 – Incorporated in India (99.99% owned by IOPP and 0.01% by IOP)
- 5 – Incorporated in Russia (99% owned by IOPP and 1% owned by Turpion Limited)
- 6 – Incorporated in Russia

## Structure, Governance and Management (continued)

### Risk Management and Internal Audit

#### Risk Management

The Council retains overall responsibility for risk management and discusses and decides the level of risk it is prepared to accept for specific and combined risks. In 2023, the Council and the IOP Executive Board both undertook a review of risk appetite for the IOP.

The Audit & Risk Committee reviews the IOP Group risk appetite, tolerance and strategy as articulated by the Council, reviews, and helps the Council and the Executive to identify major areas of risk for the IOP Group and reviews and assists the Council and the Executive in the development of processes to manage risk in those areas.

We maintain a register of significant risks and maintain systems to control and manage those risks.

The Audit & Risk Committee reviews the Risk Register, along with the plans and processes in place to manage and mitigate major risks, and then reports to Council. Council separately reviews the register on a periodic basis.

Risk Description	Risk Consequence	Controls, Action, Mitigation
Funders adopt Open Access policy mandates where publishers aren't adequately compensated resulting in erosion of income and an unsustainable future for learned society publishers.	Material reduction in Gift Aid receipts.	Business strategy in place to ensure a sustainable route to future net profits; close engagement with funders and pro Open Access libraries; strong policy advocacy work on Open Access.
The IOP are unable to achieve funding requirements to deliver the Strategy and operational business	We would be unable to support our full strategy as there would be a potential funding shortfall.	Business Development Group agreed multi-year fundraising target to achieve fundraising strategy; fundraising programme in place focusing on individual giving, trusts and foundations, competitive contracts and legacies; Income Diversification Strategy agreed and consultants appointed to aid implementation; investments to be restructured to generate more income/growth from reserves; Qualitative survey of potential corporate partners undertaken to identify key targets and likely topics of interest based on strategy; new IOP Strategy launched and work on target operating model to commence.
Failure to implement or deliver return on investment from strategic initiatives underway in IOPP.	IOPP may experience loss of market share of revenue and content with ultimately adverse profit impact.	Use of experienced delivery partners for technology investments; framework in place to identify and track delivery of strategic investment benefits; strategic investments prioritisation framework set up to maximise returns on investment.
The Group suffers liability or reputational damage from publications	Damage to reputation as a trusted voice and/or legal action resulting in reputational or financial loss.	Skilled staff with robust procedures; access to professional advice; shared intelligence to ensure integrity maintained; new partnerships established ensuring robust peer review; IOPP policies updated to ensure declaration of Large Language Models (e.g. ChatGPT); papermill detection tool in place.
Significant reduction in value of savings and investments	The IOP would need to reduce or delay expenditure and take funds from operational budgets.	Use of specialist investment advisors; investment approach regularly reviewed; risk based diversified investment approach adopted; regular reviews of investment approach.

## Structure, Governance and Management (continued)

### Internal Audit

Crowe UK LLP undertakes the internal audit programme for the IOP Group, assessing key controls and undertaking audits based on key risks and other ad-hoc matters where an audit is considered appropriate. We operate a three-year audit programme, reviewing this on an annual basis to ensure that it continues to remain appropriate.

### Our Commitment to Equality, Diversity, and Inclusion

#### The IOP

We believe firmly in equality of opportunity for all, confronting barriers to inclusion and participation wherever we encounter them. These core values are an expression of what we believe in and how we behave as an organisation. Our programmes are founded on the principles of Equality, Diversity and Inclusion (EDI), from our organisational values and strategy, to our work in schools, with the public and in our policy initiatives. From the Council and the senior leadership throughout the organisation, there is a deep-seated commitment to ensuring our physics community reflects the wider diversity we see in society and the significant value that brings to physics, the workplace and to society.

In 2023 we appointed our second Inclusion and Diversity Representative to Council, Dr Clara Barker, who brings with her extensive knowledge of inclusion and diversity, both professionally and personally. Dr Barker provides advice to the Council on diversity and inclusion as appropriate and chairs the Inclusion and Diversity Committee where we regularly review and evaluate how we implement our diversity initiatives.

In our Annual Report for 2022, we shared that we had achieved Juno Practitioner – an award for our own gender equality scheme. We are committed to improving our EDI activity and have a whole organisation action plan in place. We are progressing well and will continue to evaluate our progress and adjust accordingly.

In 2022's Annual Report we shared that we had undertaken an external evaluation of our EDI practice through the Employer Network for Equality and Inclusion evaluation scheme, TIDE. We are delighted that in 2023 we have maintained a Bronze Award for our work, placing us third in our sector for the second year in a row. We continue to focus on improving our approach to diversity and inclusion as an employer and have introduced new policies – such as the Menopause and Menstruation Policy – as well as having several others under review.

We also stated in 2022 that we recognise the need to continue to work to remove barriers to participation in any of our activities and that we must ensure the principles of EDI are embedded within them. A pilot scheme for a co-created new inclusion model to replace Project Juno and broaden out from it, whilst maintaining our focus on gender equality, was undertaken in late 2023. This involved participants from 11 different universities across the UK and Ireland testing the criteria and online platform. Following positive feedback, the new [Physics Inclusion Award](#) launched in April 2024.

The new award, which has been co-created with the physics community, considers equality, diversity, and inclusion more widely to encompass the broader range of challenges now facing the physics community within higher education. We have also engaged with Advance HE who run Athena Swan to maintain alignment and to continue to ensure gender equality efforts are maintained.

Project Juno was successfully closed in June 2023, having been launched 15 years previously. In those 15 years, over 50 university departments engaged with Juno and significantly progressed gender equality. We have also had support from many IOP members who have been part of the Juno Panel in the peer review process. We held a celebration of Project Juno in March and are currently undertaking a full review of Project Juno to understand its impact. We expect to deliver the report in Summer 2024.

We continue to build and maintain partnerships to work with colleagues, members, the wider physics community and, through our Limit Less campaign, with organisations in society to ensure that everything we deliver is truly inclusive.

## Structure, Governance and Management (continued)

### Our Commitment to Equality, Diversity, and Inclusion (continued)

You can find the document setting out the importance of EDI to physics on our website at [The importance of equality, diversity and inclusion in physics | Institute of Physics \(iop.org\)](#)

You can find out more about the new Inclusion Model, which has replaced Project Juno, on our website at [A new inclusion model for the physics community | Institute of Physics \(iop.org\)](#).

#### IOPP

IOPP is dedicated to building equality, diversity, and inclusion (EDI) into its identity in a way that is natural and sustainable, visible through the work produced, company branding, professional networks, and the communities it serves and supports. In 2023, IOPP colleagues created five new Employee Resource Groups (ERGs).

ERG members and the EDI Governance Group updated the EDI Strategy and put in place a two-year action plan with supporting key performance indicators. To help deliver this strategy, IOPP appointed an Inclusion and Wellbeing Specialist who is responsible for advancing EDI amongst IOPP colleagues and reviewers, authors, and editorial board members. To address bias and discrimination in published research and promote inclusive practices in IOPP as a workplace, it has adopted Guidelines on Inclusive Language and Images in Scholarly Communication developed by The Coalition for Diversity & Inclusion in Scholarly Communications (C4DISC). These guidelines assure that all content published by IOPP uses language that is fair and respectful and helps offer a more inclusive work culture. They were implemented through a combination of workshops, attended by 258 IOPP employees, role-specific guidance, and automated scans of journal content.

In 2023, IOPP reviewed and updated its diversity monitoring practices to ensure a more data-led approach to employee diversity and inclusion going forward.

In 2023, IOPP's Inclusion and Wellbeing Specialist was appointed as co-chair of a new Community of Practice under C4DISC. This ensures that IOPP have a voice in the creation of new best practice and the development of industry standards and gives us at the IOP an opportunity to showcase IOPP's work on inclusion.

To counteract bias in peer review, all internal editors since 2023 take a course on unconscious bias in publishing, developed in-house.

IOPP is committed to increasing the representation of female board members on its peer review managed journals while also bringing down the overrepresentation of board members from the USA and UK.

To increase global equity and inclusion in open access publishing, IOPP allows researchers from countries with lower-middle income economies, as categorised by the World Bank, to choose open access in any of its journals for a flat charge of £500. Researchers from countries with low-income economies can publish open access for free in any of IOPP's fully open access or hybrid open access journals. This Article Publication Charge (APC) discount and waiver policy acknowledges the importance of author choice and constitutes another step toward greater inclusivity for researchers who might otherwise not be able to contribute to the global body of openly accessible research.

Lastly, 2023 was the first year that IOPP could look back on a full year of data from the shift to double-anonymous peer review. This model allows authors to decide if they wish to be anonymised through the peer review process. The effect of anonymisation on acceptance rate offers evidence that this type of peer review counteracts prestige, gender, and geographical bias in peer review. This year, these findings were shared at industry events and with the science community to promote a wider turn to double-anonymous peer review in science.

## Structure, Governance and Management (continued)

### Environmental Responsibility

#### The IOP

At the IOP we recognise our environmental responsibilities and commitment to reducing environmental damage locally, nationally, and globally. We are focused on four main areas of compliance: waste and energy reduction; personal responsibility; the role of physics to provide solutions; and meeting emission targets. Ultimately, we are seeking to reduce the IOP's emissions to as close to net zero as possible, as quickly as possible.

We are also raising awareness of how activities and choices of individuals and other organisations carry an impact on the environment. We advise and support what they might consider doing to mitigate this impact. We want to lead the way and highlight what physics can do to help make buildings more efficient. Data captured on our own energy usage is shared through our education partners to help future planning and development in this field. We work with our stakeholder organisations to influence positive environmental change and support organisations which are proactively being sustainable.

Our Environmental Statement can be found visiting [www.iop.org/environmental-statement](http://www.iop.org/environmental-statement).

#### IOPP

IOPP's Sustainability Taskforce drives all its sustainability activities. Made up of colleagues from all levels across the organisation, the Taskforce advocates for sustainable practices and raises awareness amongst colleagues, suppliers, and other stakeholders.

Throughout 2023, IOPP continued to assess the sustainability of its supply chain, by engaging with suppliers and surveying their sustainability activities, environmental management systems, and obtaining primary data on the Scope 1 and 2 emissions that contribute to IOPP's corporate carbon footprint.

On an annual basis, with the support of ClimatePartner, IOPP calculates its full corporate carbon footprint (including Scope 3) to identify emission hotspots and drive activities to actively reduce impact. On the back of this work, IOPP took the decision that from 2024 it would cease providing print copies of research journals to the few remaining customers that took them, eliminating emissions from both manufacture and from the distribution of these products.

IOPP has also been working with DIMPACT, an industry-wide initiative that helps to bring into view emissions from the point of digital content production right through to the end user. The outcome of this work will help IOPP to reduce emissions associated with the provision and use of digital products and evolve its sustainability strategy.

Through a series of established environmental journals, IOPP publishes research that addresses some of the world's most critical issues and delivers solutions for sustainability development in line with the United Nation's Sustainable Development Goals (SDGs). In 2023, IOPP's Environmental Research series has grown with the addition of two new journals: Environmental Research: Energy and Environmental Research: Food Systems. The series now includes eight open access journals, covering a range of environmental topics. This year IOPP also announced the launch of Sustainability Science and Technology, a multidisciplinary open access journal set to bring together researchers from science, technology and engineering in a shared vision for a more sustainable planet. IOPP's freely accessible [Sustainability Collection](#) brings all of its SDG-related content together into a central place, with an intuitive search that enables readers to filter by SDG and by year.

In 2023, IOPP has also been working within the wider industry and contributing to initiatives supporting others to further progress the SDGs within academic publishing, e.g. the STM SDG Sustainability Roadmap.

IOPP's [Environmental Statement](#) is available at [www.ioppublishing.org/legal/environmental-policy](http://www.ioppublishing.org/legal/environmental-policy).

## Structure, Governance and Management (continued)

### Gender-Pay Gap Reporting

The IOP does not have a statutory requirement to report on gender pay but, as part of our commitment to gender equality, we have undertaken the assessment. IOPP, meanwhile, continues to meet its statutory requirement to report on the matter.

#### The IOP

This is the fifth year we have made a voluntary declaration of our gender pay gap. As an organisation with fewer than 250 employees, we choose to make a voluntary declaration to set an example, hold ourselves to account and learn where we can do better.

This year, our mean gender pay gap is 19.6%, up slightly from 18.1% in 2022 and our median gender pay gap is 10.1%, up slightly from 9.0% in 2022. Whilst our analysis shows clearly that female and male employees in the same roles are paid equally, the gender pay gap is because we have proportionally more female than male employees in the lower salary quartile and proportionally more male than female employees in higher paid roles in the upper salary quartile.

The relatively small size of our organisation, and therefore the small sample sizes involved, mean we have to be cautious about drawing conclusions from the data. However, the data gives us a snapshot of where we are now, helps us see what drives any differences, and shows us areas we can target to improve in the future. Although we understand the main reasons for our pay gap, we want to do better and our ambition is to achieve gender pay parity.

#### IOPP

The gender pay gap report highlights some of the progress made on IOPP's equality, diversity and inclusion (EDI) strategy in 2023. A seven pillar strategy will enable meaningful and systemic change and the need to make sure there is active listening and talking to each other to raise awareness. IOPP needs to be clear about what action to take, and use good data to understand issues, identify actions and track progress. It must also ensure leaders are leading inclusively, being allies and having conversations about diversity and inclusion. IOPP continues to see signs of success with the strategy. The staff engagement survey results in diversity and inclusion continue to be ahead of industry norms, and internal awareness-raising events are well attended and get positive feedback. However, IOPP still have work to do across the gender pay gap.

The mean pay gap has increased by 3.89% to 15.52% and the median has reduced for a second year by 3.23% to 11.61%. These anticipated changes gave IOPP the platform to review its EDI inclusion strategy which included the launch of two new Employee Resource Groups (ERGs) - Women in IOPP and a Parent and Carers group.

Over the last year IOPP continued to attract more women into the organisation, now at 59% (2022: 54%). The focus is on continuing to appoint women into senior roles and on our ambition to make IOPP a more diverse and inclusive organisation for everyone.

## **Structure, Governance and Management (continued)**

### **Anti-Slavery and Human Trafficking**

The IOP Group is committed to prohibiting all forms of slavery and human trafficking in any part of our business, including in all supply chains. The IOP Group has a diverse supply chain, including suppliers of IT, print and editorial services, office equipment, catering services, building services, temporary recruitment services, and accommodation and venue facilities.

Our Anti-Slavery and Human Trafficking Policy reflects our commitment to acting ethically and with integrity in all business relationships. We also implement and enforce effective systems and controls to prohibit slavery and human trafficking in our supply chains and business.

To ensure that all companies in our supply chain comply with all obligations on anti-slavery and human trafficking, all relevant suppliers are issued with, and agree to comply with, our Anti-Slavery and Human Trafficking Policy, and/or appropriate obligations are included in contracts with them. Those obligations allow the IOP to secure assurances that those suppliers have appropriate measures in place in relation to their own business and supply chains and commit to complying with all relevant legislation and codes of practice.

In 2023 we also sent a delegation of IOPP employees to carry out site visits at some of its largest suppliers, based in India, to verify that suppliers carry out their commitments to IOPP. Those visits involved meeting the suppliers' staff members working for IOPP, touring the suppliers' facilities, and inspecting the premises and working conditions.

To ensure awareness and understanding across the group, staff are required to complete an on-line training course on our approach to anti-slavery and human trafficking and in-person training is provided for staff working in potentially higher risk areas.

### **Anti-Corruption and Bribery**

We support and have an on-going commitment to carrying out our business fairly, honestly and openly.

We maintain policies and procedures to prevent bribery and, in particular, have implemented a Group Anti-Corruption and Bribery Policy. We also have procedures and controls over expenditure, accounting, commercial activities, and agent contracts to manage all forms of bribery and corruption risk.

As part of our zero-tolerance approach to bribery and corruption, we ensure that measures are in place so that staff and third parties understand what is and what is not permitted. As part of our induction programme, for example, we require new staff to complete a mandatory e-learning module on bribery and corruption to enhance awareness and help deter bribery. As part of our due diligence procedures when contracting with key suppliers, we require them to commit to comply with all applicable bribery legislation and, where relevant, we review their policies in this area.

We maintain whistleblowing procedures for staff to report any allegations of wrongdoing and provide an integrated range of routes through which staff may report concerns.

### **Fundraising**

Section 162A of the Charities (Protection and Social Investment) Act 2016 requires charities of a certain size to make a statement regarding fundraising activities in their Annual Report. To show our commitment to fundraising in line with the Code of Fundraising Practice, the IOP is registered with the Fundraising Regulator.

Our fundraising activities support and further our charitable purpose. We raise funds from different streams including individuals (members and non-members of the IOP), trusts, foundations, and corporations. We also have a legacy programme and seek gifts in wills.

## Structure, Governance and Management (continued)

### Fundraising (continued)

Our fundraising activities are carried out by our in-house Development Team, whose work is overseen by the Business Development Group. We take a risk-based approach and seek the Business Development Group's approval on every fundraising opportunity. We do not use professional fundraisers or commercial participators to fundraise on our behalf.

We take our responsibilities on managing personal information seriously and strive to ensure that our policies and procedures meet legal requirements and donors' expectations. When seeking donations from members, we only contact those who have opted in to receiving such communications. We also have safeguarding measures in place to help us protect young people and vulnerable adults.

We did not receive any complaints concerning our fundraising activities in the financial year.

### Statement of Trustees' Responsibilities

Members of Council (who are the trustees of the IOP) 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 (GAAP)).

The law applicable to charities in England and Wales and in Scotland 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 the Group, and of the incoming resources and application of resources of the Charity and the Group for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008 and the Charities Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Financial Review

### Financial Statements

The financial statements for the year ended 31 December 2023 are set out on pages 39 to 75. They were prepared applying accounting policies in accordance with UK GAAP, and comply with the Statement of Recommended Practice, Accounting and Reporting by Charities SORP (FRS 102).

### The IOP Group

The IOP considers incoming resources, resources expended, and Gift Aid remitted from our subsidiaries to be key performance indicators.

Some 92% (2022: 93%) of the Group's incoming resources are generated from the activities of one trading subsidiary, IOP Publishing Limited (IOPP).

Total incoming resources in the year for the Group decreased by £3.0m to £71.9m (2022: £74.9m) for which the key driver was a £3.4m decrease in income from scientific publications to £64.7m (2022: £68.1m) in relation to the activities of IOPP. Further commentary on the activities of IOPP is provided below. Income from other charitable activities also experienced a £1m decrease to £3.5m (2022: £4.5m). Further commentary on the activities of the IOP is provided below.

Total resources expended in the year for the Group experienced a small increase to £78.0m (2022: £76.9m), driven mainly by the impairment loss on the freehold property, as set out in note 15.

Further details are included in the consolidated statement of financial activities on page 39. The IOP's balance sheet is included on page 41.

The overall net asset position of the Group remains strong at £74.4m (2022: £79.6m). The key drivers for the movement in the net asset position are set out below.

The Group continued to make significant investments in systems during 2023 in order to support the transition to open access in the publishing business. These investments account for the majority of the increase in the value of intangible fixed assets on the Group's balance sheet from £7.5m in 2022 to £9.6m in 2023. Further details on these intangible fixed asset additions are given in note 14.

The value of the Group's investments increased by £1.7m to £25.3m (2022: £23.6m), which the Trustees consider to be reasonable in light of the ongoing economic turmoil throughout 2023.

Debtors have decreased from £29.5m to £27.4m at 31 December 2023, primarily due to the decrease in debtors within IOPP as a result of changes in the timing of foreign exchange margin call debtors.

The Group cash position remains strong at £23.6m (2022: £28.2m), with the reduction on the prior year being linked to the investments in systems during 2023 and timing differences in receipts from customers.

Deferred revenue remains a key balance and this has increased by £3.1m to £28.0m (2022: £24.9m), driven by the Transformative Agreements in IOPP.

The IOP's defined benefit pension scheme remains in a surplus position at 31 December 2023 of £0.09m however this surplus has reduced by £0.61m from £0.7m at 31 December 2022. During 2023, the assets of the scheme reduced by £0.5m (2022: reduced by £37.5m) due to asset returns over the course of the year being lower than expected. The present value of the liabilities increased by £0.01m (2022: decreased by £41.8m) due to a falling real yield since the end of 2022 which has been offset to a certain extent by a revised demographic assumption.

## Financial Review (continued)

### The IOP Group (continued)

During 2021, a provision of £7.4m was made to allow for uncertainty over the effective date of equalisation of the Normal Retirement Age of the scheme. A prudent approach was taken in 2021 and the provision was based on the effective date being 31 October 1997 and therefore the maximum expected liability of £7.4m was provided for.

During 2022, further investigation into the effective date of the equalisation of the Normal Retirement Age of the scheme was undertaken which showed that the equalisation window did not need to extend as far back as was expected in 2021. An amount of £3.6m was therefore recognised as a past service gain in the year ended 31 December 2022 which reflected the difference between the required provision as at 31 December 2022 based on the effective date of equalisation and the original provision of £7.4m as updated for the actuarial assumptions as at 31 December 2022.

During 2023, additional investigation into the effective date of the equalisation of the Normal Retirement Age of the scheme further reduced the scope of the equalisation issue to an expected liability of £1.2m. This additional investigation also identified the requirement to add a reserve of £0.7m to the actuarial valuation as at 31 December 2022 for the pensioners expected to be impacted by the equalisation matter, resulting in a total expected liability as at 31 December 2023 of £1.9m. A past service cost of £0.7m has been recognised in the year ended 31 December 2023 in respect of the additional liability relating to the pensioners.

Further details are given in note 23 of the financial statements.

The trustees have concluded that the Group is a going concern and these financial statements have therefore been prepared on that basis. The performance of the Group in 2023 and the positive net asset position at the end of 2023 support the trustees' conclusion.

### The IOP

In 2023 72% of the IOP's income was generated from Gift Aid from our publishing subsidiaries (2022: 78%). Other sources of income include income from members either as membership fees or for additional services, and grants from government and other grant-awarding bodies. During 2023, income from donations and legacies increased to £1.1m (2022: £0.1m) following the receipt of a legacy. Income from other charitable activities experienced a £1m decrease to £3.5m (2022: £4.5m) due to the conclusion of one of the grant agreements with the Department for Education.

Total resources expended by the IOP have increased in the year from £18.3m in 2022 to £20.0m in 2023. After adjusting the total resources expended for the £3.6m past service gain that was recognised in the year ended 31 December 2022, and the £0.7m past service loss that was recognised in the year ended 31 December 2023 in relation to the effective date of the equalisation of the Normal Retirement Age of the scheme that is referenced above, total resources expended have fallen from £21.9m in 2022 to £19.3m in 2023. This reduction is driven by cost savings in 2023 that were generated through prioritisation exercises and proactive cost reductions.

## Financial Review (continued)

### IOPP

During 2023, IOPP continued with its focus of putting in place Transformative Agreements with customers across the world as a means to accelerate the transition to open access publishing.

IOPP experienced a reduction in turnover to £66.9m (2022: £70.3m) for which a key driver was the impact of the year on year fluctuations in the USD:GBP exchange rate on the company's revenue denominated in USD. In addition, as set out further in the accounting policies, certain estimates are required in relation to the recognition of revenue from the Transformative Agreements, and a proportion of revenue from these Transformative Agreements needs to be deferred at the year end. The movement in the value of such deferred revenue has further contributed to the overall reduction in turnover year on year.

IOPP's gross profit margin has remained very consistent with the prior year at 91.3% (2022: 91.4%) however the net profit margin has reduced from 14.6% in 2022 to 11.6% in 2023. The main reason for the reduction in net profit is the significant investment the company is making into people, technology, and data, equipping the company to be a modern, fit-for-purpose publisher as we make the transition to an open access future.

As referenced above, during 2023 IOPP continued to make investments to support the business model transition. The value of these investments can be seen within intangible assets on the IOP Group balance sheet.

IOPP pays all of its taxable profits for the reporting year to the IOP under the gift aid scheme. With effect from 1 January 2023, IOPP moved from making gift aid payments in arrears to making gift aid payments during the year in which the profits accrue, to the extent that it has the available distributable reserves and cash to do so. As such, during 2023 IOPP paid a total of £14.8m (2022: £20.7m) of gift aid, which represents £9.0m in relation to taxable profits for the year to 31 December 2022 paid in arrears and £5.8m in relation to distributable profits that have accrued in the year to 31 December 2023.

### Reserves and investment

The Charter and Bylaws confer power on the IOP to maintain income reserves. Council reviews at least annually both the IOP's continuing need for reserves and their appropriate level. The reserves policy set out below is based on, and is consistent with, guidelines on the subject issued by the Charity Commission. The strategic reasons for the IOP to retain reserves, rather than simply spend all of our income as it arises, are, as stated in our Investment Policy:

- to be able to make short- and medium-term expenditure commitments without the risk of short-term fluctuations in income forcing reduction in, or cancellation of, planned activity;
- to reduce the level of dependence on income from publishing; and
- in the event of a material and sustained fall in income from other sources, to provide sufficient reserves to enable the IOP to make the changes in our organisation and activities necessary to respond to this in an orderly and planned way.

The overall investment objectives of the IOP are to achieve a minimum net total return of 12-month LIBOR (London Interbank Offered Rate) +3.5%, after payment of fees over rolling three-year periods, using a diversified strategic asset allocation approach to minimise the risk for this level of return.

During the year, the investment portfolio held by the IOP generated an unrealised gain to the Group of £1.2m (2022: £2.5m unrealised loss). The IOP actively manages the investment portfolio we hold.

## Financial Review (continued)

### Reserves and investment (continued)

After a review in 2019, Council agreed that there should not be one single aggregate level of appropriate reserves that should be held by the IOP, rather the reserves of the IOP should be segregated into separate categories where the amount of reserves held in each category should be calculated as an appropriate amount to address the balance of risks and opportunities facing the IOP in those categories.

The agreed categories are the: operational reserve (free reserves); property reserve (specific reserve); and pension fund reserve (specific reserve). In defining this reserves policy, consideration has been given to the level of free reserves it is appropriate to hold in order to demonstrate appropriate financial management and sustainability.

The operational reserve will allow for short- and medium-term expenditure commitments without the risk of short term fluctuations in income forcing reductions in, or cancellation of, planned activity. It will also help fund strategic and business plan activities.

The individual funds of the IOP at 31 December 2023 are considered adequate to meet the respective commitments.

The property reserve will have £0.25m invested per annum until the end of the strategy in existence at the end of 2023, for the development and maintenance of the IOP's property assets, whether freehold or leasehold. The pension reserve will have £1m invested per annum over the same period. This is in addition to the special annual contribution already made from the IOP to the defined benefit pension scheme, which is accounted for through the statement of financial activities.

The required level of reserves at 31 December 2023 based on the current long-term plan, as modified by the 2024 budget, is between approximately £20.9m-£29.9m (2022: £20.7m-£30.4m). The current level of free reserves as represented by the IOP's investments is £25.3m (£21.8m unrestricted, £3.1m endowment, £0.4m restricted) (2022: £23.6m (£20.5m unrestricted, £2.7m endowment, £0.4m restricted)), which is deemed appropriate given the IOP's commitments over the following 12 months.

### Ethical investment policy

The IOP is a charity established with the objective of promoting the advancement and dissemination of a knowledge of and education in the science of physics, pure and applied.

The trustees would not want the investment decisions of the IOP to result in activities that compromise this objective. In the event that the trustees consider that any particular classes of investment choices conflict with this objective, they will provide a written list of such classes, or specific investments, to the investment managers and will require them to take such steps as are practicable and cost-effective so as not to invest in these areas.

## Financial Review (continued)

### Auditors

All of the current trustees have taken all of the steps necessary to make themselves aware of any information needed by the Charity's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The trustees are not aware of any relevant audit information of which the auditors are unaware.

**By order of Council**

### Alison McMillan

Professor Alison McMillan CEng CPhys FInstP  
FIMechE FHEA

Honorary Secretary

Date: 24 June 2024

### David Delpy

Professor David Delpy CBE FRS FREng CPhys  
FInstP FMedSci

Honorary Treasurer

Date: 24 June 2024

## **Independent Auditors' Report to the Trustees of the Institute of Physics**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, the Institute of Physics' group financial statements and parent charity financial statements ("the financial statements"):

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2023 and of the group's and parent charity's incoming resources and application of resources, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law) and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Trustees' Annual Report and Financial Statements (the "Annual Report"), which comprise: the group and parent charity balance sheets as at 31 December 2023; the consolidated statement of financial activities incorporating a consolidated income and expenditure account for the year then ended and charity statement of financial activities incorporating a consolidated income and expenditure account for the year then ended, the consolidated cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

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

#### **Independence**

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and parent charity's ability to continue as a going concern.

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

## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Based on our work undertaken in the course of the audit, the Charities (Accounts and Reports) Regulations 2008 and The Charities Accounts (Scotland) Regulations 2006 (as amended) requires us also to report certain opinions and matters as described below.

### **Trustees' Report**

Under the Charities (Accounts and Reports) Regulations 2008 and The Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion the information given in the Trustees' Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the Trustees for the financial statements**

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

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

### **Auditors' responsibilities for the audit of the financial statements**

We are eligible to act and have been appointed auditors under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

## Responsibilities for the financial statements and the audit (continued)

### Auditors' responsibilities for the audit of the financial statements (continued)

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 auditors' 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 group and parent charity/industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended). We 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 posting inappropriate journal entries to increase revenue or reduce expenditure and applying management bias in accounting estimates. Audit procedures performed included:

- Discussions with management and the trustees, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes including those of the Council and of the subsidiaries;
- Evaluation of management's controls designed to prevent and detect irregularities, in particular the whistleblowing policy and employee code of conduct;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the valuation of partner accruals and the valuation of defined benefit pension liabilities; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## **Responsibilities for the financial statements and the audit (continued)**

### **Use of this report**

This report, including the opinions, has been prepared for and only for the Charity's trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under section 144 of the Charities Act 2011 and regulations made under those Acts (regulation 10 of The Charities Accounts (Scotland) Regulations 2006 (as amended) and Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Other required Reporting**

#### **The Charities Accounts (Scotland) Regulations 2006 (as amended) and Charities Act 2011 exception reporting**

Under The Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

## **PricewaterhouseCoopers**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol

Date: 24 June 2024

**Consolidated Statement of Financial Activities incorporating a consolidated income and expenditure account for the year ended 31 December 2023**

	Note	2023 Endowment £'000	2023 Restricted £'000	2023 Unrestricted £'000	2023 Total £'000	2022 Total £'000
<b>Income from:</b>						
Donations and legacies	3	-	-	1,118	1,118	138
Charitable activities:						
Membership		-	-	1,672	1,672	1,684
Programmes		7	161	1,642	1,810	2,809
Scientific Publications		-	-	64,728	64,728	68,075
Other trading activities		-	-	1,732	1,732	1,725
Investments	6	84	-	777	861	451
Other		-	-	-	-	1
<b>Total income</b>	<b>3 &amp; 5</b>	<b>91</b>	<b>161</b>	<b>71,669</b>	<b>71,921</b>	<b>74,883</b>
<b>Expenditure on:</b>						
Raising funds		-	-	(86)	(86)	(79)
Charitable activities:						
Scientific Publications	7	-	-	(57,990)	(57,990)	(58,821)
Ecosystem	7	-	(201)	(3,401)	(3,602)	(4,842)
Productivity	7	-	-	(191)	(191)	(575)
Campaign	7	-	-	(774)	(774)	(509)
Public Dialogue	7	-	-	(311)	(311)	(247)
Transformation	7	-	-	(623)	(623)	(494)
Membership	7	-	-	(3,084)	(3,084)	(2,089)
Business operations	7	(195)	(19)	(10,923)	(11,137)	(7,858)
Other		-	-	(167)	(167)	(1,341)
<b>Total expenditure</b>	<b>7</b>	<b>(195)</b>	<b>(220)</b>	<b>(77,550)</b>	<b>(77,965)</b>	<b>(76,855)</b>
Net gains / (losses) on investments	17	163	-	1,077	1,240	(2,473)
<b>Net income / (expense)</b>		<b>59</b>	<b>(59)</b>	<b>(4,804)</b>	<b>(4,804)</b>	<b>(4,445)</b>
Transfer between funds		391	-	(391)	-	-
<b>Other recognised losses</b>						
Actuarial losses on defined benefit pension scheme	23	-	-	(354)	(354)	(215)
Exchange difference on retranslation of net assets of subsidiary undertakings		-	-	(66)	(66)	610
<b>Net movement in funds</b>		<b>450</b>	<b>(59)</b>	<b>(5,615)</b>	<b>(5,224)</b>	<b>(4,050)</b>
Fund balances brought forward		2,690	422	76,518	79,630	83,680
<b>Fund balances carried forward</b>	<b>22</b>	<b>3,140</b>	<b>363</b>	<b>70,903</b>	<b>74,406</b>	<b>79,630</b>

The statement of financial activities includes all gains and losses recognised in the year. All amounts relate to continuing activities.

The notes on pages 43 to 75 form part of these financial statements.

**Charity Statement of Financial Activities incorporating an income and expenditure account for the year ended 31 December 2023**

	Note	2023 Endowment £'000	2023 Restricted £'000	2023 Unrestricted £'000	2023 Total £'000	2022 Total £'000
<b>Income from:</b>						
Donations and legacies	3	-	-	1,118	1,118	138
Charitable activities:						
Membership		-	-	1,672	1,672	1,684
Programmes		7	161	1,642	1,810	2,809
Scientific Publications		-	-	15,344	15,344	21,291
Investments		84	-	1,274	1,358	1,525
Other		-	-	-	-	1
<b>Total income</b>		<b>91</b>	<b>161</b>	<b>21,050</b>	<b>21,302</b>	<b>27,448</b>
<b>Expenditure on:</b>						
Raising funds		-	-	(86)	(86)	(79)
Charitable activities:						
Ecosystem		-	(201)	(3,457)	(3,658)	(4,898)
Productivity		-	-	(191)	(191)	(575)
Campaign		-	-	(774)	(774)	(509)
Public Dialogue		-	-	(311)	(311)	(247)
Transformation		-	-	(623)	(623)	(494)
Membership		-	-	(3,334)	(3,334)	(2,339)
Business operations		(195)	(19)	(10,923)	(11,137)	(7,858)
Other		-	-	(463)	(463)	(1,341)
<b>Total expenditure</b>		<b>(195)</b>	<b>(220)</b>	<b>(20,162)</b>	<b>(20,577)</b>	<b>(18,340)</b>
Net gains / (losses) on investments	17	163	-	1,077	1,240	(2,473)
<b>Net income / (expense)</b>		<b>59</b>	<b>(59)</b>	<b>1,965</b>	<b>1,965</b>	<b>6,635</b>
Transfer between funds		391	-	(391)	-	-
<b>Other recognised losses</b>						
Actuarial losses on defined benefit pension scheme	23	-	-	(354)	(354)	(215)
<b>Net movement in funds</b>		<b>450</b>	<b>(59)</b>	<b>1,220</b>	<b>1,611</b>	<b>6,420</b>
Fund balances brought forward		2,690	422	68,118	71,230	64,810
<b>Fund balances carried forward</b>	<b>22</b>	<b>3,140</b>	<b>363</b>	<b>69,338</b>	<b>72,841</b>	<b>71,230</b>

The statement of financial activities includes all gains and losses recognised in the year. All amounts relate to continuing activities. The notes on pages 43 to 75 form part of these financial statements.

**Group and Parent Charity Balance Sheets as at 31 December 2023**

	Note	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
<b>Fixed assets</b>					
Intangible assets	14	9,631	7,546	213	96
Tangible assets	15	33,262	34,501	32,117	33,245
Investments in subsidiary undertakings	16	-	-	3,001	3,001
Investments	17	25,295	23,642	25,295	23,642
		<u>68,188</u>	<u>65,689</u>	<u>60,626</u>	<u>59,984</u>
<b>Current assets</b>					
Debtors	18	27,414	29,504	5,366	1,965
Cash at bank and in hand		23,556	28,214	9,740	11,774
		<u>50,970</u>	<u>57,718</u>	<u>15,106</u>	<u>13,739</u>
<b>Creditors: amounts falling due within one year</b>	19	<u>(44,331)</u>	<u>(43,701)</u>	<u>(2,470)</u>	<u>(2,417)</u>
<b>Net current assets</b>		6,639	14,017	12,636	11,322
<b>Provisions for liabilities</b>	21	(512)	(772)	(512)	(772)
<b>Defined Benefit Pension scheme surplus</b>	23	91	696	91	696
<b>Net Assets</b>		<u>74,406</u>	<u>79,630</u>	<u>72,841</u>	<u>71,230</u>
<b>Charity Funds</b>					
Endowment funds					
Permanent endowment	22	461	387	461	387
Expendable endowment	22	2,679	2,303	2,679	2,303
Restricted funds	22	363	422	363	422
Unrestricted funds					
General fund	22	70,812	75,822	69,247	67,422
Pension reserve	23	91	696	91	696
<b>Total Charity funds</b>		<u>74,406</u>	<u>79,630</u>	<u>72,841</u>	<u>71,230</u>

These financial statements were approved by Council and authorised for issue on 20 June 2024 and were signed on its behalf by

**Keith Burnett**

Professor Sir Keith Burnett  
CBE FRS CPhys FInstP FLSW  
President  
24 June 2024

**David Delpy**

Professor David Delpy  
CBE FRS FREng CPhys FInstP FMedSci  
Honorary Treasurer  
24 June 2024

The notes on pages 43 to 75 form part of these financial statements.

**Consolidated Statement of Cash Flows for the year ended 31 December 2023**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Cash flows from operating activities</b>		
<b>Net expense for the year</b>	<b>(4,804)</b>	(4,445)
Adjustments for:		
Depreciation, impairment and amortisation of fixed assets and intangible assets	3,948	3,492
Loss on disposal of fixed assets	2	313
(Gains) / Loss on investments	(1,240)	2,473
Net interest receivable	(220)	-
Dividend income from fixed and current investments	(641)	(451)
Difference between net pension expense and cash contribution	251	(4,545)
Decrease / (increase) in trade and other debtors	1,901	(10,882)
Increase in trade and other creditors	685	12,138
Decrease in provisions	(260)	(34)
<b>Net cash used in operating activities</b>	<b>(378)</b>	(1,941)
<b>Cash flows from investing activities</b>		
Purchases of fixed assets and intangible assets	(4,799)	(8,328)
Interest received	220	-
Dividends received on fixed and current asset investments	228	231
<b>Net cash used in investing activities</b>	<b>(4,351)</b>	(8,097)
<b>Net decrease in cash and cash equivalents</b>	<b>(4,729)</b>	(10,038)
Cash and cash equivalents at beginning of year	28,214	37,642
Foreign exchange gains	71	610
<b>Cash and cash equivalents at end of year</b>	<b>23,556</b>	28,214
<b>Cash and cash equivalents comprise:</b>		
Cash at bank and in hand	23,556	28,214
	<b>23,556</b>	28,214

The notes on pages 43 to 75 form part of these financial statements.

## **Notes forming part of the financial statements for the year ended 31 December 2023**

### **1 Accounting policies**

#### *(a) General information and basis of preparation*

The Institute of Physics (IOP) is a corporate body governed by a Royal Charter, which is supplemented by bylaws and regulations. IOP was established in its current form by Royal Charter dated 30 September 1970.

The IOP is a charity registered in both England & Wales (no. 293851) and in Scotland (no. SC040092). The IOP has also applied for registration as a charity in the Republic of Ireland. The members of Council are the trustees of the Charity. The IOP's registered office is 37 Caledonian Road, London N1 9BU.

The Institute of Physics is a Public Benefit Entity under FRS 102. The financial statements have been prepared in accordance with applicable charity law and in accordance with FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102"), and with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102 (effective 1 January 2015) ("Charities SORP FRS 102"), and in accordance with the requirements of the Charities Act 2011 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008.

The financial statements have been prepared on a going concern basis under the historical cost convention except for the modification to a fair value basis for certain investments and financial instruments as specified in the accounting policies below.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the Group's management to exercise judgement in applying the Group's accounting policies. The significant accounting policies applied in the preparation of these financial statements are set out in note 2 below. These policies have been consistently applied to all years presented unless otherwise stated.

#### *(b) Group financial statements*

Parent entity disclosure exemption: In preparing the individual financial statements of the Institute of Physics, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been prepared for the parent charity; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent charity because their remuneration is included in the totals for the Group as a whole.

Basis of consolidation: The consolidated financial statements incorporate the results of the Institute of Physics and all subsidiary undertakings as at 31 December 2023 using the acquisition method of accounting. Under this method, the results of subsidiary undertakings acquired or disposed of during the year are included in the consolidated statement of financial activities from the effective date of acquisition or up to the effective date of disposal. All intra-group transactions, balances, income, and expenses are eliminated in full on consolidation.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets and liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of financial activities from the date on which control is gained.

#### *(c) Income recognition*

All incoming resources are included in the statement of financial activities when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

Membership income is recognised when received and attributed to the financial years to which it relates, and sundry income is recognised when received.

## **Notes forming part of the financial statements (continued)**

### **1 Accounting policies (continued)**

#### *(c) Income recognition (continued)*

For legacies, entitlement and recognition is the earlier of the Charity being notified of an impending distribution or the legacy being received. On occasion, legacies will be notified to the Charity, however, it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from production of in-house and external partner journals with a majority of the income received in advance is recognised in line with the fair value of content delivered.

Other income streams include fees received for publishing articles, ebooks and advertising recognised upon publication, sales of access to historic archives recognised upon invoice when permanent access is granted, and contract management fees recognised on invoice.

The Institute of Physics receives gift aid income from subsidiaries under the gift aid scheme. Gift aid income is recognised in the Charity's statement of financial activities when the subsidiary has made an irrevocable commitment to pay the taxable profits to the Charity. The Charity previously had a gift aid covenant in place with IOP Publishing Limited (IOPP). At the reporting date there was no legal obligation in place for IOPP to make this payment. The payment is, however, expected to be made within nine months of the end of the reporting date.

Income from government and other grants are accounted for under the performance model as permitted by FRS 102 the Charities SORP. Grants of a revenue nature are recognised in the statement of financial activities in the same period as the related expenditure.

Investment income is earned through holding assets for investment purposes such as shares, property, and short-term liquid investments. It includes dividends, interest, bank interest and rent from leased property.

#### *(d) Recognition of expenditure*

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the relevant category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably.

Support costs are those functions that assist the work of the Charity but do not directly represent charitable activities. Support costs include general management, payroll administration, information technology, human resources, financing, and governance costs. They are incurred directly in support of expenditure on the objects of the Charity. Where support costs cannot be directly attributed to particular headings, these costs are allocated across the expenditure on charitable activities. The basis of the cost allocation has been explained in note 8 to the financial statements.

#### *(e) Termination benefits*

Termination benefits are recognised when the Group is committed either to terminate the employment of an employee, or group of employees, before the normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. The Group is committed to a termination only when there is a detailed formal plan from which there is no realistic possibility of withdrawal.

Termination benefits are measured at the best estimate of the expenditure that would be required to settle the obligation at the reporting date. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

## Notes forming part of the financial statements (continued)

### 1 Accounting policies (continued)

#### (f) Analysis of income and expenditure

2023 is the fourth year of the IOP's strategy "Unlocking the Future". The analysis of income and expenditure by fund reflects the programmes of this strategy, including membership and business operations (business as usual activities) and those of the IOP's publishing subsidiaries (scientific publications).

In 2022, £92k of expenditure, previously classified under the heading of "Challenge Fund" within charitable activities, was reallocated under the heading "Ecosystem" as this more closely aligned with the activities within the project.

#### (g) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree plus costs directly attributable to the business combination. Any excess of the cost of the business combination over the fair value of the identifiable assets and liabilities is recognised as goodwill.

#### (h) Intangible fixed assets – goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in Intangible assets. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation on the acquisition of subsidiaries is calculated by applying the straight-line method to its estimated useful life of 5 years.

#### (i) Intangible fixed assets – Other

Trademarks and software assets include journal and magazine titles. Such assets acquired are capitalised and amortised over their estimated useful economic lives. The useful life of trademarks is 5 years.

Other intangible assets, including internally generated software assets, are stated at cost, and are amortised over useful lives not exceeding 10 years. The amortisation period has been determined based on prior experience of the length of time that intangibles usually retain their value. Where factors such as technological advancement or changes in market price indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

#### (j) Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of accumulated depreciation and any provision for impairment. Cost includes costs directly attributable to making the asset capable of operating as intended.

Assets with a value of less than £500 are not capitalised.

Depreciation is provided at rates calculated to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold property	45 years
Office equipment & machinery	3-4 years
Fixtures and fittings	10 years

The value of leasehold property is amortised over the remaining periods of the relevant leases.

Within note 15, Office equipment & machinery and Fixtures & fittings are included within one category of assets titled 'Fixtures and equipment'.

## Notes forming part of the financial statements (continued)

### 1 Accounting policies (continued)

#### *(k) Investments*

Investments in subsidiaries are measured at cost less accumulated impairment in the individual Charity financial statements.

Other investments in listed company shares are initially recognised at their transaction value excluding any transaction costs. Subsequently, they are measured at fair value as at the balance sheet date using the closing quoted market price of the individual unitised holdings. Any changes arising on revaluation are recognised in 'net gains / losses on investments' in the statement of financial activities.

#### *(l) Cash and cash equivalents*

Cash and cash equivalents includes cash and short term, highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Bank overdrafts, if repayable on demand, are considered to be a component of cash equivalents.

#### *(m) Debtors*

Trade and other debtors are recognised at transaction price, less any impairment. Prepayments are valued at the amount prepaid net of any trade discounts due. Any losses arising from impairment are recognised in expenditure within the statement of financial activities.

#### *(n) Creditors*

Short term trade creditors are measured at the transaction price. Other financial liabilities are measured initially at amortised cost and subsequently at amortised cost less impairment.

#### *(o) Provisions*

Provisions are recognised when the Group has an obligation, legal or constructive, at the balance sheet date as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The Group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use in the following financial year. The provision is measured at the undiscounted salary cost payable for the period of absence that has been accrued.

The Group recognises a provision for the expected value of dilapidations for costs relating to the exit of leasehold premises. The amount payable will be agreed through future negotiation at such point that an exit occurs.

#### *(p) Financial instruments*

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities, or equity instruments. An equity instrument is any contract that evidences a residual interest in an asset of the company after deducting all of its liabilities. Financial instruments are measured at amortised cost or fair value depending on the nature of the underlying arrangement.

#### *(q) Derivative financial instruments*

Derivative financial instruments are recognised at fair value with any gains or losses being recognised within 'Net income/expenditure' in the statement of financial activities.

## **Notes forming part of the financial statements (continued)**

### **1 Accounting policies (continued)**

#### *(r) Pension costs*

Institute of Physics Retirement Benefits Plan 1975:

The IOP operates the Institute of Physics Retirement Benefits Plan 1975 providing pension benefits based on final pensionable pay. This scheme was closed to new members on 31 December 2001. The assets of the scheme are held separately from those of the Group in an independently administered fund. This defined benefit scheme is accounted for in accordance with FRS 102. The service cost of pension provision relating to the year, together with the cost of any benefits relating to past service if the benefits have vested, is charged to the statement of financial activities. A charge equal to the increase in the present value of the scheme liabilities (because the benefits are closer to settlement) and a credit equivalent to the Group's long term expected return on assets (based on the market value of the scheme assets at the start of the year), are also included in the statement of financial activities.

The difference between the market value of the assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet. Any differences between the actual and expected return on assets during the year are recognised in the statement of financial activities along with differences arising from experience or assumption changes.

The defined benefit pension expense recognised in the statement of financial activities is allocated to expenditure on charitable activities in proportion with the expenditure on these activities. The defined benefit pension expense is recognised in unrestricted funds.

Institute of Physics Group Personal Pension Schemes:

The Group operates two group personal pension schemes. They are both defined contribution pension schemes with assets held in the names of the individual members. The first was established from 1 January 2002 and is managed by Aviva. This scheme closed to new members on 31 January 2014. For those members of staff who are members of this scheme, the IOP contributes 3-18% (2022: 2-18%) of basic salary. The second was established from 1 February 2014 and is managed by Aviva. For those members of staff who choose to join the scheme the IOP contributes 2-12% of basic salary.

Contributions to the Group's defined contribution pension schemes are charged to the statement of financial activities in the year in which they become payable.

#### *(s) Fund accounting*

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors. The cost of raising and administering such funds are charged against the specific fund.

Endowment funds represent those assets which must be held permanently by the Charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the Charity and included in unrestricted income or in accordance with the specific restrictions imposed by donors as restricted income. Any capital gains or losses arising on the investments of endowment funds form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

## Notes forming part of the financial statements (continued)

### 1 Accounting policies (continued)

#### *(s) Fund accounting (continued)*

In 2023, a detailed review of the Charity's restricted funds was performed, which identified that the Charity's restricted reserves included two endowment funds. The Bell Burnell Fund and the Lee Lucas Fund, previously disclosed in restricted funds, are an expendable endowment fund and a permanent endowment fund respectively. These funds were also held in 2022, therefore the comparative information within the balance sheet, note 3, note 4, note 7b and note 22 has been further analysed between endowment funds, restricted funds, and general funds. The further analysis shows more information than was disclosed within the 2022 financial statements. Further details of the effect of this change are shown within the balance sheet and notes referenced above.

#### *(t) Foreign currencies*

Functional currency and presentation currency:

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Sterling, which is the Charity's and the Group's presentation currency and results are rounded to the nearest £'000.

Transactions and balances:

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entity are recognised at the spot rate at the dates of the transactions or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange differences that arise are recognised within 'Net income/expenditure' in the statement of financial activities.

Translation of group companies:

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated from their functional currency to Sterling using the exchange rate ruling on the balance sheet date. Income and expenses are translated using an average rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on translation of group companies are recognised within 'Other recognised gains/losses' in the statement of financial activities.

#### *(u) Leases*

Rentals payable under operating leases are charged to the statement of financial activities on a straight-line basis over the terms of the leases.

Rental income receivable under operating leases with a third party is recognised in the statement of financial activities on a straight-line basis over the terms of the leases.

#### *(v) Going Concern*

Trustees continue to monitor the principal markets in which the Group operates, and they have prepared forecasts and projections for the Group. These projections demonstrate the Group's ability to meet obligations as they fall due. The Trustees consider there to be no material uncertainties that exist and, therefore, appropriate to prepare the financial statements on a going concern basis.

## Notes forming part of the financial statements (continued)

### 2 Significant judgements and estimates

Preparation of the financial statements requires the Executive Board and Senior Management Team to make significant judgements and estimates.

#### *(a) Significant estimates*

The items in the financial statements where significant estimates have been made include:

##### Revenue recognition:

Income from production of in-house and external partner journals with a majority of the income received in advance is recognised in line with the fair value of content delivered. Where contracts with customers span multiple years, judgement is required to identify the component parts of the contract and an estimate is required in the recognition of the associated revenue in each applicable accounting period.

Where sales contracts with customers contain multiple components and may also span multiple years, for example Transformative Agreements, judgement is required to identify the component parts of the contract and an estimate is required in the recognition of the associated revenue in each applicable accounting period. The estimate of revenue to be recognised in each applicable year in relation to a Transformative Agreement is based on the relative fair value of the component parts of the agreement. The determination of the relative fair value is based on the fair value of the individual component parts with any discount applied on a proportionate basis.

##### Defined benefit pension scheme valuation:

The valuation of the liabilities of the group defined benefit pension scheme is performed by a professional actuary. This requires estimates to be made around the range of assumptions used and the value used for each assumption.

##### Partner accruals:

Indirect costs of IOPP are allocated to partners in the calculation of partner payments. The method of allocating these indirect costs will vary by partner, depending on the nature of the agreement with each individual partner, and estimates are required in these allocations.

##### Dilapidations:

A provision is included for the value of dilapidations for costs relating to the exit of leasehold premises. An estimate is required to determine this value. The amount payable will be agreed through future negotiation at such point that an exit occurs.

#### *(b) Significant judgements*

The items in the financial statements where significant judgements have been made are:

##### Partner agreements:

When agreements are entered into with partners, judgement is required as to whether the company is acting as the agent or the principal in the arrangement and therefore how revenue should be recognised. The following factors are taken into consideration when making this judgement: which party to the agreement establishes the sales prices; which party bears the credit risk on the sale; and which party is responsible for providing the goods or services to the customer. The contractual terms set out in the agreement and the substance of the arrangement are also taken into consideration.

##### Leases:

The key judgement is whether leases entered into by the company are operating or finance leases. The conclusion depends on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.

**Notes forming part of the financial statements (continued)**

**3 Income: analysis by fund**

	Note	2023 Endowment £'000	2023 Restricted £'000	2023 Unrestricted £'000	2023 Total £'000	2022 Endowment £'000	2022 Restricted £'000	2022 Unrestricted £'000	2022 Total £'000
<b>Income from:</b>									
Donations and legacies		-	-	1,118	<b>1,118</b>	-	-	138	<b>138</b>
Charitable activities:									
Membership		-	-	1,672	<b>1,672</b>	-	-	1,684	<b>1,684</b>
Programmes		7	161	1,642	<b>1,810</b>	25	326	2,458	<b>2,809</b>
Scientific Publications		-	-	64,728	<b>64,728</b>	-	-	68,075	<b>68,075</b>
Other trading activities		-	-	1,732	<b>1,732</b>	-	-	1,725	<b>1,725</b>
Investments	6	84	-	777	<b>861</b>	28	-	423	<b>451</b>
Other		-	-	-	-	-	-	1	<b>1</b>
<b>Total income</b>	<b>5</b>	<b>91</b>	<b>161</b>	<b>71,669</b>	<b>71,921</b>	<b>53</b>	<b>326</b>	<b>74,504</b>	<b>74,883</b>

**4 Expenditure: analysis by fund**

	Note	2023 Endowment £'000	2023 Restricted £'000	2023 Unrestricted £'000	2023 Total £'000	2022 Endowment £'000	2022 Restricted £'000	2022 Unrestricted £'000	2022 Total £'000
<b>Expenditure on:</b>									
Raising funds		-	-	86	<b>86</b>	-	-	79	<b>79</b>
Charitable activities:									
Scientific Publications	7	-	-	57,990	<b>57,990</b>	-	-	58,821	<b>58,821</b>
Ecosystem	7	-	201	3,401	<b>3,602</b>	-	279	4,563	<b>4,842</b>
Productivity	7	-	-	191	<b>191</b>	-	-	575	<b>575</b>
Campaign	7	-	-	774	<b>774</b>	-	-	509	<b>509</b>
Public Dialogue	7	-	-	311	<b>311</b>	-	-	247	<b>247</b>
Transformation	7	-	-	623	<b>623</b>	-	-	494	<b>494</b>
Membership	7	-	-	3,084	<b>3,084</b>	-	-	2,089	<b>2,089</b>
Business operations	7	195	19	10,923	<b>11,137</b>	112	106	7,640	<b>7,858</b>
Other		-	-	167	<b>167</b>	-	-	1,341	<b>1,341</b>
<b>Total expenditure</b>		<b>195</b>	<b>220</b>	<b>77,550</b>	<b>77,965</b>	<b>112</b>	<b>385</b>	<b>76,358</b>	<b>76,855</b>

**Notes forming part of the financial statements (continued)**

**5 Analysis of incoming resources**

By geographical market	<b>2023</b> <b>£'000</b>	2022 £'000
Europe, Middle East and Africa	<b>25,634</b>	25,857
The Americas	<b>25,864</b>	28,758
Asia Pacific	<b>20,423</b>	20,268
<b>Total</b>	<b>71,921</b>	74,883
By class of business	<b>2023</b> <b>£'000</b>	2022 £'000
Publishing operations	<b>66,460</b>	69,799
Charitable activities	<b>1,810</b>	2,809
Membership income	<b>1,672</b>	1,684
Other	<b>1,979</b>	591
<b>Total</b>	<b>71,921</b>	74,883

**6 Investment income**

	<b>2023</b> <b>£'000</b>	2022 £'000
Dividends and interest from listed investments	<b>641</b>	451
Interest from cash and short term investments	<b>220</b>	-
<b>Total</b>	<b>861</b>	451

Group investment income is lower than the Charity's investment income by £497k (2022: £1,074k) mostly due to the elimination of intercompany rent recharged in respect of Temple Circus and The Distillery.

**Notes forming part of the financial statements (continued)**

**7 Analysis of expenditure**

*(a) Analysis of expenditure by type*

	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>
	<b>Activities undertaken directly</b>	<b>Grant funding activities</b>	<b>Support costs</b>	<b>Total</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Raising funds	-	-	86	<b>86</b>	79
Charitable activities:					
Scientific Publications	57,990	-	-	<b>57,990</b>	58,821
Ecosystem	1,539	217	1,846	<b>3,602</b>	4,842
Productivity	94	-	97	<b>191</b>	575
Campaign	383	-	391	<b>774</b>	509
Public Dialogue	154	-	157	<b>311</b>	247
Transformation	309	-	314	<b>623</b>	494
Membership	1,401	-	1,683	<b>3,084</b>	2,089
Business operations	2,408	-	8,729	<b>11,137</b>	7,858
Other	-	-	167	<b>167</b>	1,341
<b>Total</b>	<b>64,278</b>	<b>217</b>	<b>13,470</b>	<b>77,965</b>	<b>76,855</b>

Activities undertaken directly are costs attributable to the activity. Support costs are those costs that support the activity. Grant funding represents 22 (2022: 12) grants made to individuals under the Bell Burnell Graduate Scholarship Fund to encourage greater diversity in physics by assisting PhD physics students from under-represented groups and 6 (2022: nil) grants made under the Public Engagement Grant Scheme which supports external organisations to deliver outreach activities. There were no STFC grants made in 2023 (2022: 70).

Please see the Objectives and Activities, Achievements and Performance section of the Trustees' Annual Report for more information about the activities set out above, including Ecosystem ('Building a diverse, thriving and effective physics community'), Productivity ('Unlocking the full value of physics to society and the economy'), Public Dialogue ('Showing the impact of physics and inspiring informed public conversations') as well as IOP's Transformation programme, influencing campaign Limit Less, scientific publications and work with members.

*(b) Analysis of expenditure on business operations*

Included within expenditure on charitable activities are costs for business operations amounting to £11,137k (2022: £7,858k). These are analysed as:

	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>
	<b>Endowment</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>Total</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Awards	195	5	239	<b>439</b>	327
Support	-	-	4,113	<b>4,113</b>	1,481
Membership	-	-	1,193	<b>1,193</b>	1,047
Technology	-	-	1,804	<b>1,804</b>	2,159
Facilities	-	-	2,239	<b>2,239</b>	1,548
Outreach	-	14	1,335	<b>1,349</b>	1,296
<b>Total business operations expense</b>	<b>195</b>	<b>19</b>	<b>10,923</b>	<b>11,137</b>	<b>7,858</b>

**Notes forming part of the financial statements (continued)**

**8 Analysis of governance and support costs**

Included within expenditure on charitable activities are governance and support costs amounting to £13,217k (2022: £12,492k). These are analysed as:

	2023 Management Costs (Directorate + Staff) £'000	2023 Central Costs (IT, HR, Facilities) £'000	2023 Finance Costs £'000	2023 Total £'000	2022 Total £'000
Basis of Allocation	Direct *	Direct #	Direct		
Ecosystem	1,604	242	-	1,846	2,756
Productivity	84	13	-	97	323
Campaign	340	51	-	391	287
Public Dialogue	136	21	-	157	139
Transformation	273	41	-	314	279
Membership	1,462	221	-	1,683	1,319
Business operations	5,164	2,844	721	8,729	7,389
<b>Total</b>	<b>9,063</b>	<b>3,433</b>	<b>721</b>	<b>13,217</b>	<b>12,492</b>

\* CEO costs, governance costs and fundraising staff costs are allocated directly. All other staff costs are apportioned based on the original direct costs of the activity over total direct costs.

# All costs are allocated directly other than depreciation and bad debt provision movements which have been apportioned based on the original direct costs of the activity over total direct costs.

**Auditors' fees:**

	2023 £'000	2022 £'000
Fees payable to the Charity's auditors for the audit of the Charity's annual financial statements	92	100
Fees payable to the Charity's auditors for other services:		
The audit of the Charity's subsidiaries pursuant to legislation	142	147
Other services	22	16
Other taxation services	24	10
	<b>280</b>	<b>273</b>

**Notes forming part of the financial statements (continued)**

**9 Staff**

**Institute of Physics - Group**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Wages and salaries	<b>30,990</b>	28,553
Social security costs	<b>2,752</b>	2,714
Pension costs	<b>2,968</b>	2,713
Redundancy and severance costs	<b>546</b>	115
<b>Total</b>	<b>37,256</b>	34,095

During the year, redundancy costs and severance costs were paid due to changes in business requirements.

The number of employees in the Group earning more than £60,000 including bonuses (excluding employer pension contributions) per year can be analysed in the following bands:

	<b>2023</b>	2022
	<b>Number</b>	Number
£60,000 - £69,999	33	27
£70,000 - £79,999	20	18
£80,000 - £89,999	18	17
£90,000 - £99,999	13	7
£100,000 - £109,999	13	4
£110,000 - £119,999	4	2
£120,000 - £129,999	2	1
£130,000 - £139,999	3	3
£140,000 - £149,999 *	4	2
£150,000 - £159,999	-	1
£170,000 - £179,999	-	1
£200,000 - £209,999	1	1
£210,000 - £219,999	1	-
£220,000 - £229,999	-	2
£230,000 - £239,999	1	1
£240,000 - £249,999	-	1
£250,000 - £259,999 +	3	-
£400,000 - £409,999	-	1
£450,000 - £459,999	1	-

+ This banding includes the remuneration of the Group Chief Executive Officer in 2023.

\* This banding includes the remuneration of the Group Chief Executive Officer in 2022 who was in post from 6 June 2022.

The above banding covers the employees of the IOP Group and also includes 30 staff (2022: 22) who are employed by entities within the IOP Group that fall outside the scope of the gender pay gap reporting.

The above banding includes 82 (2022: 62) staff for whom retirement benefits are accruing under defined contribution schemes and 11 (2022: 2) staff for whom retirement benefits are accruing under defined benefit schemes. Contributions by the Group for the year for the above employees to defined contribution schemes amounted to £911k (2022: £624k). 34 staff included above (2022: 26) are paid in foreign currencies and their earnings are subject to foreign exchange fluctuations when translating from the base currency to sterling.

**Notes forming part of the financial statements (continued)**

**9 Staff (continued)**

**Institute of Physics - Charity**

Within the Charity only, the number of employees earning more than £60,000 including bonuses (excluding employer pension contributions) per year can be analysed in the following bands. Employer pension contributions have also been analysed to show the total employee benefits for those within these bandings:

Salary & Compensation	Bonus & commission	Non pensionable allowances & other benefits	Employer Pension Contribution	2023 Number	2022 Number
£60,000 - £69,999	-	-	£0 - £14,999	7	4
£70,000 - £79,999	-	-	£0 - £14,999	7	7
£80,000 - £89,999	-	-	£5,000 - £44,999	5	4
£90,000 - £99,999	-	-	£10,000 - £14,999	1	1
£100,000 - £109,999	-	-	£5,000 - £19,999	2	-
£110,000 - £119,999	-	-	£10,000 - £14,999	1	2
£120,000 - £129,999	-	-	£10,000 - £14,999	1	-
£130,000 - £139,999	-	-	£15,000 - £19,999	1	1
£140,000 - £149,999 *	-	-	£0 - £5,000	1	1
£150,000 - £159,999	-	-	£0 - £5,000	-	1
£250,000 - £259,999 +	-	-	£15,000 - £19,999	1	-

+ This banding includes the remuneration of the Group Chief Executive Officer in 2023.

\* This banding includes the remuneration of the Group Chief Executive Officer in 2022 who was in post from 6 June 2022.

**Institute of Physics - Group**

Within the trading subsidiaries of the Institute of Physics Group (IOP Enterprises Limited, IOP Publishing Limited, Turpion Limited, Turpion-Moscow Limited, IOP Publishing Inc., IOP Business Publishing Inc., IOP Publishing Consultants (Beijing) Co. Limited, IOP Marketing and Promotion Services Private Limited), some staff, dependant on role, have contractual performance based incentives linked to the subsidiaries revenue or profit growth. Staff may also receive non pensionable allowances and medical benefits in addition to employer pension contributions.

UK employer pension contributions are made at a maximum of 18% of pensionable salary.

The average number of employees during the year was:

		2023 Number	2022 Number
Charitable work:	- Institute of Physics	115	117
Business operations:	- IOP Publishing Limited	262	237
	- IOP Publishing Inc.	30	28
	- IOP Business Publishing Inc.	3	2
	- Turpion-Moscow Limited	1	3
	- IOP Publishing Consultants (Beijing) Co. Limited	30	22
	- IOP Marketing and Promotion Services Private Limited	5	5
	Management and administration:	- Institute of Physics	40
	- IOP Publishing Limited	139	135
<b>Total</b>		<b>625</b>	<b>582</b>

The full time equivalent employees as at 31 December 2023 was 600 (2022: 567).

## Notes forming part of the financial statements (continued)

### 10 Key management personnel remuneration

Key management personnel include all members of Council. The President, honorary officers and members of Council give their time to the IOP on a voluntary basis and are paid no remuneration for this work. They are reimbursed the actual costs of travel and subsistence necessarily incurred on the official business of the IOP and/or subsidiaries. In the year to 31 December 2023 £9.4k of expenses were incurred and reimbursed to 18 trustees (2022: 8.5k to 5 trustees).

Remunerated key management personnel include the members of the IOP's senior management team and directors of the IOP's subsidiary companies. The Group Chief Executive Officer performs a group role across all entities within the IOP Group. The Group Chief Executive Officer is part of the IOP's senior management team which also includes the Deputy Chief Executive; Chief Financial Officer; The Director of Policy and Public Affairs; The Director of Science, Innovation & Skills; and the Chief Executive, IOP Publishing Limited. All members of the senior management team are remunerated by the IOP with the exception of the Chief Executive of IOP Publishing Limited.

In addition to the members of the IOP's senior management team, remunerated key management personnel comprise:

#### **IOP Publishing Limited**

Chief Financial Officer

Chief Sales Officer

Chief Technology Officer

Chief Publishing Officer

Chief People Officer

The pay and remuneration of the Group senior management team is set and monitored on behalf of Council by the Remuneration Committee. The Committee comprises the President, President-elect, Honorary Secretary and Honorary Treasurer, and is supported by several separately appointed external advisors. The Committee commissions, each year, relevant external benchmarking information from both the publishing and charity sector to support its decision-making, and when necessary takes additional advice from specialist organisations.

The total compensation paid to key management personnel for services provided to the Group was £2,650k (2022: £2,513k). This includes all remuneration, salary, benefits, bonuses and commission, employer's pension contributions, and any compensation payments made.

### 11 Physics World

During 2023 the IOP contributed £266k (2022: £266k) to IOP Publishing Limited towards the cost of copies of Physics World supplied to members, and £40k (2022: £40k) towards the cost of copies of Physics Education supplied to the IOP's affiliated schools programme.

### 12 Taxation

As a registered charity, the IOP is potentially exempt from taxation of any income and gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The subsidiary companies make qualifying donations of taxable profit to the Institute of Physics.

### 13 Irrecoverable VAT

There is a group VAT registration for the Institute of Physics and all UK subsidiaries. The VAT group is partly exempt and, because of this, there are restrictions on the amount of VAT recoverable.

**Notes forming part of the financial statements (continued)**

**14 Intangible assets**

Institute of Physics - Group	Software £'000	Goodwill on consolidation £'000	Trademarks £'000	Assets in course of construction £'000	Total £'000
<i>Cost or valuation</i>					
At 1 January 2023	14,230	126	217	5,167	19,740
Additions	2	-	-	4,354	4,356
Transfer from assets in course of construction	8,943	-	-	(8,943)	-
Disposals	-	-	-	-	-
<b>At 31 December 2023</b>	<b>23,175</b>	<b>126</b>	<b>217</b>	<b>578</b>	<b>24,096</b>
<i>Accumulated amortisation</i>					
At 1 January 2023	(11,867)	(126)	(201)	-	(12,194)
Provision for the year	(2,264)	-	(7)	-	(2,271)
Disposals	-	-	-	-	-
<b>At 31 December 2023</b>	<b>(14,131)</b>	<b>(126)</b>	<b>(208)</b>	<b>-</b>	<b>(14,465)</b>
<i>Net book value</i>					
<b>At 31 December 2023</b>	<b>9,044</b>	<b>-</b>	<b>9</b>	<b>578</b>	<b>9,631</b>
At 31 December 2022	2,363	-	16	5,167	7,546
				<b>Assets in course of construction £'000</b>	<b>Total £'000</b>
<b>Institute of Physics - Charity</b>					
<i>Cost or valuation</i>					
At 1 January 2023				96	96
Additions				117	117
<b>At 31 December 2023</b>				<b>213</b>	<b>213</b>
<i>Accumulated amortisation</i>					
At 1 January 2023				-	-
<b>At 31 December 2023</b>				<b>-</b>	<b>-</b>
<i>Net book value</i>					
<b>At 31 December 2023</b>				<b>213</b>	<b>213</b>
At 31 December 2022				96	96

**Assets in the course of construction – Group and Charity**

Assets in the course of construction relate to costs of a new website being developed for the Charity and elements of the implementation of new software systems which are ongoing. These assets are not being depreciated and will begin to be depreciated upon being brought into use. During the year ended 31 December 2023, costs relating to new software systems to equip IOPP to be a modern, fit-for-purpose publisher to support the transition to an open access future were transferred into Software and amortised accordingly, in line with the assets being brought into use.

**Notes forming part of the financial statements (continued)**

15 Tangible assets	Unoccupied property	Freehold property	Short lease- hold property	Fixtures and equipment	Total
Institute of Physics - Group	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
At 1 January 2023	2,548	33,993	1,875	3,291	41,707
Additions	-	9	54	381	444
Disposals	-	(172)	(2)	(443)	(617)
<b>At 31 December 2023</b>	<b>2,548</b>	<b>33,830</b>	<b>1,927</b>	<b>3,229</b>	<b>41,534</b>
<i>Accumulated depreciation &amp; impairment</i>					
At 1 January 2023	(448)	(4,675)	(138)	(1,945)	(7,206)
Charge for the year	-	(461)	(227)	(409)	(1,097)
Impairment	-	(584)	-	-	(584)
Disposals	-	172	2	441	615
<b>At 31 December 2023</b>	<b>(448)</b>	<b>(5,548)</b>	<b>(363)</b>	<b>(1,913)</b>	<b>(8,272)</b>
<i>Net book value</i>					
<b>At 31 December 2023</b>	<b>2,100</b>	<b>28,282</b>	<b>1,564</b>	<b>1,316</b>	<b>33,262</b>
At 31 December 2022	2,100	29,318	1,737	1,346	34,501
Institute of Physics - Charity	Unoccupied property	Freehold property	Short lease- hold property	Fixtures and equipment	Total
	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
At 1 January 2023	2,548	33,993	1,738	369	38,648
Additions	-	9	54	102	165
Disposals	-	(172)	-	(3)	(175)
<b>At 31 December 2023</b>	<b>2,548</b>	<b>33,830</b>	<b>1,792</b>	<b>468</b>	<b>38,638</b>
<i>Accumulated depreciation &amp; impairment</i>					
At 1 January 2023	(448)	(4,677)	(47)	(231)	(5,403)
Charge for the year	-	(459)	(189)	(61)	(709)
Impairment	-	(584)	-	-	(584)
Disposals	-	172	-	3	175
<b>At 31 December 2023</b>	<b>(448)</b>	<b>(5,548)</b>	<b>(236)</b>	<b>(289)</b>	<b>(6,521)</b>
<i>Net book value</i>					
<b>At 31 December 2023</b>	<b>2,100</b>	<b>28,282</b>	<b>1,556</b>	<b>179</b>	<b>32,117</b>
At 31 December 2022	2,100	29,316	1,691	138	33,245

Included within Unoccupied Property is a property based in London and included within Freehold Property is a property based in Ireland. Given fluctuations in commercial property markets, these properties were reviewed for impairment at the balance sheet date. The reviews indicated that the recoverable amount of the property in Ireland was less than its carrying amount, resulting in an impairment loss of £584k (2022: £360k), which was recognised in the statement of financial activities, apportioned across expenditure on Charitable Activities. There was no indication of impairment on the Unoccupied Property (2022: £448k).

**Notes forming part of the financial statements (continued)**

**16 Investments in subsidiary undertakings**

**Institute of Physics - Charity**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<i>Cost or valuation</i>		
At 1 January	<b>3,001</b>	3,001
<b>At 31 December</b>	<b>3,001</b>	3,001
<i>Net book value</i>		
<b>At 31 December</b>	<b>3,001</b>	3,001

The IOP's subsidiary undertakings at 31 December 2023 were as follows:

Name	Country of incorporation / registration	Class of shares held	Percentage held	Nature of business	Year end
IOP Publishing Limited	UK	Ordinary	100%	Publishing	31 Dec 2023
IOP Enterprises Limited	UK	Ordinary	100%	Dormant	31 Dec 2023
IOP Educational Publishing Limited	UK	Ordinary	100%	* Dormant	31 Dec 2023
IOP Publishing Inc.	USA	Ordinary	100%	Publishing	31 Dec 2023
IOP Business Publishing Inc.	USA	Ordinary	100%	^ Publishing	31 Dec 2023
IOP Publishing Consultants (Beijing) Co. Limited	China	Ordinary	100%	* Publishing consulting	31 Dec 2023
Turpion Limited	UK	Ordinary	100%	* Publishing	31 Dec 2023
Turpion-Moscow Limited	Russia	Ordinary	100%	+ Publishing	31 Dec 2023
IOP Publishing Moscow LLC	Russia	Ordinary	100%	# Publishing	31 Dec 2023
IOP Marketing and Promotion Services Private Limited	India	Ordinary	100% –	~ Publishing	31 Mar 2024

\* The investments in IOP Educational Publishing Limited, IOP Publishing Consultants (Beijing) Co. Limited and Turpion Limited are held directly by IOP Publishing Limited.

^ The investment in IOP Business Publishing Inc. is held directly by IOP Publishing Inc.

+ The investment in Turpion-Moscow Limited is held directly by Turpion Limited.

# The investment in IOP Publishing Moscow LLC is owned 1% by IOP and 99% by IOP Publishing Limited.

– The investment in IOP Marketing and Promotion Services Private Limited is 0.01% owned by IOP and 99.99% by IOP Publishing Limited.

IOP Enterprises Limited and IOP Educational Publishing Limited, as dormant entities, are exempt from preparing individual accounts under s394A of Companies Act 2006 and are exempt from the obligation to file accounts with the registrar by virtue of s448A of Companies Act 2006.

Address of IOP Publishing Limited is No.2 The Distillery, Glassfields, Avon Street, Bristol

Address of IOP Enterprises Limited is 37 Caledonian Road, London, N1 9BU

Address of IOP Educational Publishing Limited is No.2 The Distillery, Glassfields, Avon Street, Bristol

Address of IOP Publishing Inc. is 190 N. Independence Mall West Suite 601 Philadelphia, PA 19106, USA

Address of IOP Business Publishing Inc. is 190 N. Independence Mall West Suite 601 Philadelphia, PA 19106, USA

Address of IOP Publishing Consultants (Beijing) Co. Limited is Room 608, Building A, Raycom Info Tech Park, No.2 Kexueyuan South Road, Beijing China 100190

Address of Turpion Limited is No.2 The Distillery, Glassfields, Avon Street, Bristol

Address of Turpion-Moscow Limited is MIAN, 8 Gubkina Street, Room 915, Moscow 119991, Russia

Address of IOP Publishing Moscow LLC is Room 2, 7th floor, Building 2, 17 Skakovaya Street, Moscow, 125040, Russia.

Address of IOP Marketing and Promotion Services Private Limited is No 59, Empee Tower, Harris Road, Pudupet Chennai 600002, Tamil Nadu, India

**Notes forming part of the financial statements (continued)**

**16 Investments in subsidiary undertakings (continued)**

Details of the net assets, turnover, expenditure and profit for the year of IOP Publishing Limited, IOP Enterprises Limited, IOP Publishing Inc., IOP Business Publishing Inc., IOP Publishing Consultants (Beijing) Co. Limited, Turpion Limited and IOP Marketing and Promotion Services Private Limited are as follows:

	Company Number	Net assets/ (liabilities) 2023 £'000	Income 2023 £'000	Expenditure 2023 £'000	Profit / (Loss) 2023 £'000
IOP Publishing Limited	00467514	2,952	66,949	(59,183)	7,766
IOP Enterprises Limited	03471563	4	-	-	-
IOP Publishing Inc.	26-2659520	1,226	4,454	(3,855)	599
IOP Business Publishing Inc.	26-2301131	(151)	378	(368)	10
IOP Publishing Consultants (Beijing) Co. Limited	No.05292	450	2,585	(2,499)	86
Turpion Limited	02463452	(125)	-	(109)	(109)
IOP Publishing Moscow LLC	1217700419815	26	-	56	56
IOP Marketing and Promotion Services Private Limited	U74999TN201 6FTC103739	169	486	(437)	49

Details of the net assets, turnover, expenditure and profit for the prior year of IOP Publishing Limited, IOP Enterprises Limited, IOP Publishing Inc., IOP Business Publishing Inc., IOP Publishing Consultants (Beijing) Co. Limited, Turpion Limited and IOP Marketing and Promotion Services Private Limited are as follows:

	Company Number	Net assets/ (liabilities) 2022 £'000	Income 2022 £'000	Expenditure 2022 £'000	Profit / (Loss) 2022 £'000
IOP Publishing Limited	00467514	9,986	70,301	(60,048)	10,253
IOP Enterprises Limited	03471563	4	-	-	-
IOP Publishing Inc.	26-2659520	1,243	4,130	(3,571)	559
IOP Business Publishing Inc.	26-2301131	(175)	291	(277)	14
IOP Publishing Consultants (Beijing) Co. Limited	No.05292	378	1,983	(1,913)	70
Turpion Limited	02463452	(16)	-	(144)	(144)
IOP Publishing Moscow LLC	1217700419815	(29)	-	(54)	(54)
IOP Marketing and Promotion Services Private Limited	U74999TN201 6FTC103739	127	334	(301)	33

Profit for the year and for the prior year of IOP Publishing Limited, IOP Enterprises Limited, IOP Publishing Inc., IOP Business Publishing Inc., and Turpion Limited are shown before the profits generated by each entity have been distributed by gift aid to IOP.

**Notes forming part of the financial statements (continued)**

**17 Investments**

	Group and Charity	
	2023 £'000	2022 £'000
Market value at beginning of the year	23,642	25,895
Dividends accumulated into investments	413	220
Unrealised gains / (losses)	1,240	(2,473)
Market value at end of the year	<u>25,295</u>	<u>23,642</u>
Historical cost	<u>21,629</u>	<u>21,629</u>

No investment management cost was incurred in 2023 or 2022.

	Group and Charity	
	2023 £'000	2022 £'000
The analysis of investments by class is as follows:		
Vanguard FTSE Global All Cap Index Fund	13,968	12,177
BNY Mellon Real Return Fund Newton Institutional	7,110	6,968
CCLA COIF Charities Property Fund	4,217	4,497
Market value of investments	<u>25,295</u>	<u>23,642</u>
Total value of investments and cash	<u>25,295</u>	<u>23,642</u>

**18 Debtors**

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Trade debtors	22,247	22,244	132	81
Other debtors	740	3,584	635	581
Derivative financial instruments	216	-	-	-
Amounts owed from group undertakings	-	-	3,779	110
Prepayments and accrued income	4,211	3,676	820	1,193
<b>Total</b>	<u>27,414</u>	<u>29,504</u>	<u>5,366</u>	<u>1,965</u>

An impairment loss of £32k (2022: £69k) was recognised in the Charity statement of financial activities for the year in respect of bad and doubtful debtors. There was no impairment loss (2022: £185k) recognised in the consolidated statement of financial activities for the year in respect of bad and doubtful debtors.

Amounts due from group undertakings are interest free and repayable on demand.

**Notes forming part of the financial statements (continued)**

**19 Creditors: amounts falling due within one year**

	<b>Group</b>	Group	<b>Charity</b>	Charity
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Trade creditors	2,564	2,669	478	398
Other creditors	6,401	7,568	41	32
Derivative financial instruments	-	1,097	-	-
Other taxes and social security	652	677	205	207
Accruals	6,735	6,790	1,189	1,363
Deferred income	27,979	24,900	557	417
<b>Total</b>	<b>44,331</b>	<b>43,701</b>	<b>2,470</b>	<b>2,417</b>

Deferred income represents income received in advance:

	<b>Group</b>	Group	<b>Charity</b>	Charity
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Journals subscriptions	26,785	23,935	-	-
Membership income	300	356	300	356
Other	894	609	257	61
<b>Total</b>	<b>27,979</b>	<b>24,900</b>	<b>557</b>	<b>417</b>

Amounts owed to group undertakings are interest free and repayable on demand.

**20 Financial instruments**

The Group's and Charity's financial instruments may be analysed as follows:

	<b>Group</b>	Group	<b>Charity</b>	Charity
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	25,295	23,642	25,295	23,642
Financial assets measured at amortised cost	47,689	55,225	10,896	13,470
<b>Financial liabilities</b>				
Financial liabilities measured at fair value through profit or loss	-	(1,097)	-	-
Financial liabilities measured at amortised cost	(15,700)	(17,026)	(1,708)	(1,792)

Financial assets measured at fair value through profit or loss comprise fixed asset investments in a trading portfolio of listed company shares.

Financial assets measured at amortised cost comprise trade debtors, other debtors, amounts owed by group undertakings, accrued income, current asset investments and cash at bank.

Financial liabilities measured at fair value through profit or loss comprise the loss in fair value of foreign currency exchange contracts.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and amounts owed to group undertakings.

**Notes forming part of the financial statements (continued)**

**21 Provisions for liabilities**

	<b>Group</b>	Group	<b>Charity</b>	Charity
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<i>Dilapidations provision</i>				
At 1 January	772	806	772	806
New provisions	-	272	-	272
Increase in provision	<b>10</b>	-	<b>10</b>	-
Adjustment on reassessment of dilapidations	<b>(270)</b>	(306)	<b>(270)</b>	(306)
<b>At 31 December</b>	<b>512</b>	772	<b>512</b>	772

Included within provisions is a provision of £230k (2022: £500k) for costs relating to the exit of leasehold premises which are expected to crystallise in 2024. The remaining £282k (2022: £272) is for costs relating to the exit of a leasehold premises which are expected to crystallise in 2032. The amount payable will be agreed through future negotiation at such point that an exit occurs.

**22 Movement on reserves**

**Unrestricted funds - Group**

	Balance at 1 January 2023 £'000	Net Income / (Expenditure) £'000	Transfers £'000	Actuarial gains / (loses) £'000	Exchange adjustments £'000	<b>Balance at 31 December 2023 £'000</b>
General fund	75,822	(4,553)	(391)	-	(66)	<b>70,812</b>
Pension fund (deficit)/surplus	696	(251)	-	(354)	-	<b>91</b>
	<b>76,518</b>	<b>(4,804)</b>	<b>(391)</b>	<b>(354)</b>	<b>(66)</b>	<b>70,903</b>
	Balance at 1 January 2022 £'000	Net Income / (Expenditure) £'000	Transfers £'000	Actuarial gains / (loses) £'000	Exchange adjustments £'000	<b>Balance at 31 December 2022 £'000</b>
General fund	83,773	(8,561)	-	-	610	<b>75,822</b>
Pension fund (deficit)/surplus	(3,634)	4,545	-	(215)	-	<b>696</b>
	<b>80,139</b>	<b>(4,016)</b>	<b>-</b>	<b>(215)</b>	<b>610</b>	<b>76,518</b>

**Notes forming part of the financial statements (continued)**

**22 Movement on reserves (continued)**

**Unrestricted funds - Charity**

	Balance at 1 January 2023 £'000	Net Income / (Expenditure) £'000	Transfers £'000	Actuarial gains / (loses) £'000	Exchange adjustments £'000	Balance at 31 December 2023 £'000
General fund	67,422	2,216	(391)	-	-	69,247
Pension fund (deficit)/surplus	696	(251)	-	(354)	-	91
	<b>68,118</b>	<b>1,965</b>	<b>(391)</b>	<b>(354)</b>	-	<b>69,338</b>

	Balance at 1 January 2022 £'000	Net Income / (Expenditure) £'000	Transfers £'000	Actuarial gains / (loses) £'000	Exchange adjustments £'000	Balance at 31 December 2022 £'000
General fund	64,903	2,519	-	-	-	67,422
Pension fund (deficit)/surplus	(3,634)	4,545	-	(215)	-	696
	<b>61,269</b>	<b>7,064</b>	-	<b>(215)</b>	-	<b>68,118</b>

**Restricted funds - Group and Charity**

	Balance at 1 January 2023 £'000	Net Income / (Expenditure) £'000	Transfers £'000	Actuarial gains / (loses) £'000	Exchange adjustments £'000	Balance at 31 December 2023 £'000
Prize Funds	49	-	-	-	-	49
Other Funds	373	(59)	-	-	-	314
	422	(59)	-	-	-	363
Bell Burnell Expendable Endowment Fund	2,303	28	348	-	-	2,679
Lee Lucas Permanent Endowment Fund	387	31	43	-	-	461
	2,690	59	391	-	-	3,140
	<b>3,112</b>	-	<b>391</b>	-	-	<b>3,503</b>

	Balance at 1 January 2022 £'000	Net Income / (Expenditure) £'000	Transfers £'000	Actuarial gains / (loses) £'000	Exchange adjustments £'000	Balance at 31 December 2022 £'000
Prize Funds	50	(1)	-	-	-	49
Other Funds	432	(59)	-	-	-	373
	482	(60)	-	-	-	422
Bell Burnell Expendable Endowment Fund	2,631	(328)	-	-	-	2,303
Lee Lucas Permanent Endowment Fund	429	(42)	-	-	-	387
	3,060	(370)	-	-	-	2,690
	<b>3,542</b>	<b>(430)</b>	-	-	-	<b>3,112</b>

## Notes forming part of the financial statements (continued)

### 22 Movement on reserves (continued)

**General Fund:** This represents cumulative surpluses net of other adjustments.

**Pension fund (deficit) / surplus:** This is the amount dedicated by the trustees to the Pension Scheme. This represents the fair value of the plan assets, net of the actuarial value of plan liabilities.

**Prize funds:** Prize funds are held by the IOP to give out as awards to individuals for their exceptional contribution towards physics.

**Other funds:** Various other restricted funds, accumulated together for the purposes of the financial statements, were given to the IOP to spend towards specific projects and purposes.

**Bell Burnell Endowment Fund:** This expendable endowment fund is a fund instigated by leading physicist Professor Dame Jocelyn Bell Burnell and the Institute of Physics to encourage greater diversity in physics by assisting PhD physics students from underrepresented groups.

**Lee Lucas Endowment Fund:** This permanent endowment fund is used to provide an award to recognise and support the achievements of young physics-based enterprises. Winners of the Award will typically, but not exclusively, be taking innovative products into the medical and healthcare sectors.

#### Analysis of Net Assets by Fund - Group

	Endowment funds £'000	Restricted funds £'000	Pension surplus £'000	General fund £'000	Total £'000
Intangible Fixed Assets	-	-	-	9,631	9,631
Tangible Fixed Assets	-	-	-	33,262	33,262
Investments	2,885	-	-	22,410	25,295
Current Assets	255	363	-	50,352	50,970
Current Liabilities	-	-	-	(44,331)	(44,331)
Non-current Assets	-	-	91	-	91
Non-current Liabilities	-	-	-	(512)	(512)
Balances carried forward as at 31 December 2023	3,140	363	91	70,812	74,406

## Notes forming part of the financial statements (continued)

### 23 Pensions

The Group operates three pension schemes.

#### Defined benefit pension scheme

The Institute of Physics Retirement Benefits Plan 1975 (the Plan) was closed to new members on 31 December 2001. The IOP continues to support the scheme for those who were members on the effective date of closure. The scheme is administered by an independent trustee.

The most recent FRS 102 valuation of the Plan dated 31 December 2023 showed that the value of the scheme's assets as at that date was £76,416k (2022: £76,899k) and that the actuarial value of those assets represented 100% (2022: 101%) of the benefits that had accrued to members, after allowing for expected future increases in earnings.

Contributions are paid into the scheme that are calculated at a level intended to balance the pensions liability with investment assets. The contribution rates are set at the time of the full formal actuarial valuation. This valuation was last performed as at 31 December 2022 with an update carried out at 31 December 2023 for FRS102 reporting purposes by a qualified actuary. The assumptions used as at 31 December 2023 are outlined further in this note.

The formal actuarial valuation as at 31 December 2022 valuation was published in early 2024 at which time it was agreed that the IOP will contribute a one off lump sum of £3m to the Plan with the agreement that no further future contributions shall be required to be paid until at least March 2029.

The Plan Trustees' appointed legal adviser have provided initial advice regarding the impact of a ruling in *Virgin Media Ltd v NTL Pension Trustees II Ltd and others* [2023] EWHC 1441 (Ch) ("Virgin Media") may have on the Plan. The Virgin Media case determined, in broad summary, that a past deed concerning benefits (entered into between 6 April 1997 and 5 April 2016) was void if no actuarial confirmation (under section 37 of the Pension Schemes Act 1993) was provided under the contracting-out requirements if a scheme was contracted-out post 6 April 1997. The case is subject to appeal and the Plan Trustees' legal adviser has noted that the case will be heard by the Court of Appeal in June 2024 with judgment likely to follow at some point in the Autumn.

In relation to the Plan, legal advice received by the Plan Trustees is that if the High Court case remains as good law (noting the current appeal due to be heard this year) then the Plan Trustees may need to consider looking at past deeds and contemporaneous evidence to see whether or not the relevant actuarial confirmations were sought. Legal advice received by the Plan Trustees is that they do not have immediate cause to assess past deeds or contemporaneous evidence to assess whether or not the relevant actuarial confirmations were sought (for example, there has not been had a buy-in or other event requiring this review to be undertaken immediately). The Plan Trustees' legal advisers are aware that a forensic review could be undertaken of past deeds and evidence now to assess whether section 37 requirements were met, but they have advised the Plan Trustees that it would be prudent to await the outcome of the appeal before undertaking such an extensive review to ensure that we are looking for the right issues, unless any scenario arises in the interim period which would necessitate a more immediate assessment. In any event, the Plan Trustees' legal advisers have noted if a detailed review was undertaken at this stage, the findings would only be provisional anyhow, pending the decision of the Court of Appeal.

**Notes forming part of the financial statements (continued)**

**23 Pensions (continued)**

The principal actuarial assumptions used by the actuary at the balance sheet date were:

	<b>2023</b>	2022
	%	%
Discount rate	<b>4.55</b>	4.75
Aggregate long-term expected rate of return on assets (net of expenses)		
Inflation (RPI)	<b>3.10</b>	3.20
Inflation (CPI)	<b>2.45</b>	2.55
Future increases in deferred pensions:		
Rate of increase in salaries	<b>2.45</b>	2.60
Rate of increase to pensions in payment:		
Pre 2001 pension	<b>5.00</b>	5.00
2001-2006 pension	<b>3.10</b>	3.20
Post 2006 pension	<b>2.05</b>	2.10
	<b>Years</b>	Years
Mortality assumptions:		
Life expectancy of male aged 65 now	<b>21.7</b>	21.9
Life expectancy of male aged 65 in 20 years	<b>23.0</b>	23.1
Life expectancy of female aged 65 now	<b>23.8</b>	24.4
Life expectancy of female aged 65 in 20 years	<b>25.2</b>	25.8

Cash commutation:

**2023:** Members take 75% of their max allowable pension commencement lump sum on current terms

**2022:** Members take 75% of their max allowable pension commencement lump sum on current terms

*Reconciliation of fair value of plan liabilities:*

	<b>2023</b>	2022
	£'000	£'000
At the beginning of the year	<b>76,203</b>	118,061
Past service cost / (income)	<b>739</b>	(3,606)
Administration costs	<b>558</b>	-
Interest cost	<b>3,562</b>	2,278
Remeasurement gains:		
Actuarial gains	<b>(1,681)</b>	(38,093)
Benefits and expenses paid	<b>(3,056)</b>	(2,437)
At the end of the year	<b>76,325</b>	76,203

**Notes forming part of the financial statements (continued)**

**23 Pensions (continued)**

*Changes in the fair value of plan assets:*

	<b>2023</b>	2022
	<b>£'000</b>	£'000
At the beginning of the year	<b>76,899</b>	114,427
Interest income	<b>3,608</b>	2,217
Remeasurement losses:		
Return on scheme assets excluding interest	<b>(2,035)</b>	(38,308)
Contributions by employer	<b>1,000</b>	1,000
Benefits and expenses paid	<b>(3,056)</b>	(2,437)
At the end of the year	<b>76,416</b>	76,899
Actual return on plan assets	<b>1,573</b>	(36,091)
	<b>2023</b>	2022
	<b>£'000</b>	£'000
Fair value of plan assets	<b>76,416</b>	76,899
Actuarial value of plan liabilities	<b>(76,325)</b>	(76,203)
Net pension scheme asset	<b>91</b>	696

**Group and Charity**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Pension asset recognised on the balance sheet	<b>91</b>	696

*Amounts recognised in profit or loss are as follows:*

	<b>Group and Charity</b>	
	<b>2023</b>	2022
	<b>£'000</b>	£'000
Past service cost / (income)	<b>739</b>	(3,606)
Administration costs	<b>558</b>	-
Net interest (income) / cost	<b>(46)</b>	61
Total	<b>1,251</b>	(3,545)

**Notes forming part of the financial statements (continued)**

**23 Pensions (continued)**

*Analysis of actuarial loss recognised within the statement of financial activities gains and losses category*

	<b>Group and Charity</b>	
	<b>2023</b>	2022
	<b>£'000</b>	£'000
Actual return less interest income included in net interest cost	<b>(2,035)</b>	(38,308)
Changes in assumptions underlying the present value of the scheme liabilities	<b>1,681</b>	38,093
Actuarial loss on defined benefit pension scheme	<u><b>(354)</b></u>	<u>(215)</u>

*Composition of plan assets*

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Equities	-	10,664
Diversified growth funds	<b>9,318</b>	10,702
Annuities	<b>6,489</b>	5,835
Liability Driven Investment funds	<b>49,837</b>	13,576
Multi-asset fund	<b>7,705</b>	11,996
Cash	<b>3,067</b>	24,126
Total plan assets	<u><b>76,416</b></u>	<u>76,899</u>

**Defined contribution pension schemes**

A Group personal pension scheme was established to replace the defined benefit scheme with effect from 1 January 2002 for UK employees. This scheme closed to new members on 31 January 2014 and a new Group person pension scheme was established from 1 February 2014. The IOP has also designated a stakeholder pension scheme in compliance with the Pensions Act 1995.

The amount recognised in the statement of financial activities as an expense in relation to the Group's defined contribution pension schemes is £2,968k (2022: £2,398k). An amount of £368k (2022: £nil) was payable to the schemes at the year end.

## Notes forming part of the financial statements (continued)

### 24 Commitments under operating leases

#### Group

The Group has minimum lease payments under non-cancellable operating leases as set out below:

	<b>Land and buildings 2023 £'000</b>	Land and buildings 2022 £'000
Not later than 1 year	929	559
Later than 1 year and not later than 5 years	2,858	2,456
Later than 5 years	1,821	2,412
	<u><b>5,608</b></u>	<u><b>5,427</b></u>

#### Charity

The Charity has minimum lease payments under non-cancellable operating leases as set out below:

	<b>Land and buildings 2023 £'000</b>	Land and buildings 2022 £'000
Not later than 1 year	591	148
Later than 1 year and not later than 5 years	2,363	2,363
Later than 5 years	1,821	2,412
	<u><b>4,775</b></u>	<u><b>4,923</b></u>

Lease payments recognised under 'other expenditure' in the year totalled £469k (2022: £830k).

### 25 Amounts receivable under operating leases

The Charity has minimum lease payments receivable under non-cancellable operating leases as set out below:

	<b>Land and buildings 2023 £'000</b>	Land and buildings 2022 £'000
Not later than 1 year	715	715
Later than 1 year and not later than 5 years	2,860	2,860
Later than 5 years	2,205	2,920
	<u><b>5,780</b></u>	<u><b>6,495</b></u>

**Notes forming part of the financial statements (continued)**

**26 Related parties**

The transactions noted below are all reported due to the individuals being trustees, directors, or key management personnel.

**Sales by IOP Publishing Limited in 2023**

Individual	Related organisation	Role within related organisation	Description of transaction	Sales by IOPP in 2023 (£)	Amount outstanding at 2023 year end (£)
Martin Freer ~	University of Birmingham	Director of the Birmingham Energy Institute and Director of the Energy Research Accelerator	Subscriptions & advertising in Physics World	70,881	354
Martin Hendry #	University of Glasgow	Head of Gravitational Astrophysics & Cosmology	Article publication charges & subscriptions	21,390	-
Sheila Rowan #		Chair of Natural Philosophy			
Alix Pryde	Queen Mary University of London	Member of Council	Article publication charges	956	1,147
David Delpy	Brunel University	Member of Council	Article publication charges & subscriptions	27,956	-
Peter Thompson	National Physics Laboratory	CEO	Article publication charges	1,313	-
Sheila Rowan #	Science & Technology Funding Council (STFC)	Senior Independent Member of Council	Advertising in Physics World	19,000	-
Tara Shears		Science Board Chair and Council Observer			
Sheila Rowan #	Cardiff University School of Physics and Astronomy	Member of External Advisory Panel	Advertising in Physics World	500	-
Philip Carpenter	York University	Pro-Chancellor and Member of Council	Subscriptions	81,512	1,958
Michele Dougherty	Imperial College London	Head of Department of Physics	Article publication charges & subscriptions	19,767	5,255

**Purchases by IOP Publishing Limited in 2023**

Individual	Related organisation	Role within related organisation	Description of transaction	Purchases by IOPP in 2023 (£)	Amount outstanding at 2023 year end (£)
Antonia Seymour	The Publishers Association	President	Membership	81,060	47,530
Sarah Flannigan ~	Self employed		Consultancy	5,861	-
Antonia Seymour	STM Association	Board Members	Membership and subscriptions	82,286	8,333
Miriam Maus					
Philip Clarke	Woodslea Ltd	Director	Consultancy	7,912	977
Sheila Rowan #	Cardiff University School of Physics and Astronomy	Member of External Advisory Panel	Sponsorship and exhibitions	1,490	-

**Notes forming part of the financial statements (continued)**

**26 Related parties (continued)**

**Amounts received by the IOP in 2023**

Individual	Related organisation	Role within related organisation	Description of transaction	Invoiced by the IOP in 2023 (£)	Amount outstanding at 2023 year end (£)
Claudia Eberlein	University of Loughborough	Dean of Science & Professor of Theoretical Physics	Sponsorship	5,000	-
John Dainton	Royal Society of Publishing	Editor in Chief	Sponsorship	98	-
Sheila Rowan #	Science & Technology Facilities Council	Senior Independent Member of Council	Exhibition	17,662	8,000
Tara Shears		Science Board Chair and Council Observer			
Sheila Rowan #	Cardiff University	Member of External Advisory Panel	Exhibition	35	-
Keith Burnett	STEM Learning Ltd	Strategic Panel Member	Consultancy	7,079	-
Catherine Grinyer	Attendable	Managing Director	Donation	1,000	-
Michele Dougherty	Imperial College London	Head of Department of Physics	Sponsorship	88	-

**Purchases by the IOP in 2023**

Individual	Related organisation	Role within related organisation	Description of transaction	Purchases by the IOP in 2023 (£)	Amount outstanding at 2023 year end (£)
Martin Freer -	University of Birmingham	Director of the Birmingham Energy Institute & Director of the Energy Research Accelerator	Sponsorship	21,201	-
Martin Hendry #	James Clerk Maxwell Foundation	Trustee	Grants	2,281	2,281
	University of Glasgow	Head of School of Gravitational Astrophysics & Cosmology	Grants & Conference costs	19,115	2,492
Chair of Natural Philosophy (Physics & Astronomy)					
Sheila Rowan #	Cardiff University	Member of External Advisory Panel	Grants & Conference costs	12,402	1,467
Claudia Eberlein	Loughborough University	Dean of Science & Professor of Theoretical Physics	Conference costs & Consultancy	2,041	-
David Delpy	Brunel University	Council member	Conference costs	14,098	-
Tara Shears	CERN European Organisation for Nuclear Research	Member of the UK at CERN Committee & UK CERN Strategic Advisory Board	Conference costs	1,000	-
Peter Thompson	National Physical Laboratory	CEO	Conference costs	1,050	-
Philip Carpenter	University of York	Pro-Chancellor & Member of Council	Grants & Conference costs	57,745	-
Michele Dougherty	Imperial College London	Head of Department of Physics	Conference costs	2,250	-

**Notes forming part of the financial statements (continued)**

26 Related parties (continued)

Sales by IOP Publishing Limited in 2022

Individual	Related organisation	Role within related organisation	Description of transaction	Sales by IOPP in 2022 (£)	Amount outstanding at 2022 year end (£)
Martin Freer ~	University of Birmingham	Director of the Birmingham Energy Institute and Director of the Energy Research Accelerator	Read & Publish licence fee	65,333	-
Tariq Ali *		Deputy Pro-Vice Chancellor			
Martin Hendry #	University of Glasgow	Clerk of Senate & Vice Principal. Professor of Gravitational Astrophysics & Cosmology	Article publication charges & subscriptions	1,130	-
Sheila Rowan #		Director of Institute for Gravitational Research			
Alix Pryde #	Queen Mary University of London	Member of Council	Article publication charges	1,792	-
David Delpy	Brunel University	Member of Council	Article publication charges & subscriptions	1,100	-
Peter Thompson	National Physics Laboratory	CEO	Article publication charges & subscriptions	14,536	-
Sheila Rowan #	Science & Technology Funding Council (STFC)	Senior Independent Member of Council	Advertising in Physics World	4,500	-
	UK Research & Innovation (UKRI)	Member of STFC	Advertising in Physics World	13,500	-
	Cardiff University School of Physics and Astronomy	Member of External Advisory Panel	Advertising in Physics World	500	-

Purchases by IOP Publishing Limited in 2022

Individual	Related organisation	Role within related organisation	Description of transaction	Purchases by IOPP in 2022 (£)	Amount outstanding at 2022 year end (£)
Antonia Seymour	The Publishers Association	Vice President	Copyright infringement portal	7,625	4,680
Sarah Flannigan ~	Self employed		Consultancy	10,744	-
Antonia Seymour	STM Association	Board Member	Membership and Taskforce subscriptions	39,060	-
Eefke Smit		Director of Standards and Technology			

**Notes forming part of the financial statements (continued)**

**26 Related parties (continued)**

**Amounts invoiced by the IOP in 2022**

Individual	Related organisation	Role within related organisation	Description of transaction	Invoiced by the IOP in 2022 (£)	Amount outstanding at 2022 year end (£)
Peter Thompson	National Physics Laboratory	CEO	Sponsorship income	1,000	-
Tariq Ali *	University of Loughborough	Board member	Sponsorship income	793	-
Claudia Eberlein		Dean of Science & Professor of Theoretical Physics			
John Dainton	Royal Society of Publishing	Editor in Chief	Sponsorship income	3,000	-
Sheila Rowan #	Science & Technology Facilities Council	Senior Independent Member of Council	Sponsorship income	2,500	2,000
			Contribution to School Grants Scheme	20,000	-

**Purchases by the IOP in 2022**

Individual	Related organisation	Role within related organisation	Description of transaction	Purchases by the IOP in 2022 (£)	Amount outstanding at 2022 year end (£)
Paul Hardaker*	Sense about science	Council member	Room hire	3,000	-
Martin Freer ~	University of Birmingham	Director of the Birmingham Energy Institute & Director of the Energy Research Accelerator	Sponsorship	500	-
Tariq Ali*		Deputy Pro-Vice Chancellor			
Martin Hendry #	University of Glasgow	Clerk of Senate & Vice Principal. Professor of Gravitational Astrophysics & Cosmology	Grants & bursaries	2,500	-
Sheila Rowan #		Director of Institute for Gravitational Research	Conference costs	22,500	-
	Science & Technology Facilities Council	Senior Independent Member of Council	Conference costs	34,005	-
Keith Burnett	STEM Learning Ltd	Strategic Panel Member	Consultancy	223,661	27,584
			Delivery of SPN Contract	122,230	
			Staffing costs	52,114	
David Delpy	Brunel University	Council member	Room hire	3,000	-

\* Resigned 30 September 2022

# Resigned 30 September 2023

~ Resigned from IOP 30 September 2023 & from IOPP 7 December 2023

~ Resigned 3 March 2023

The Charity did not receive any donations with conditions from the trustees or other related party (2022: £nil).

No individual listed above was involved in any way with decisions related to, or taken on, the IOP's expenditure with these related organisations in 2023 or 2022.

The Institute of Physics (IOP) is the professional body and learned society for physics in the UK and Ireland. It seeks to raise public awareness and understanding of physics, inspire people to develop their knowledge, understanding and enjoyment of physics and support the development of a diverse and inclusive physics community. As a charity, it has a mission to ensure that physics delivers on its exceptional potential to benefit society.

The Institute of Physics is a charity registered in England and Wales (no. 293851) and Scotland (no. SC040092).

Visit us at [iop.org](https://iop.org)

**IOP** Institute of Physics

**THE INSTITUTE OF PHYSICS**

England & Wales - Charity number 293851

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# Accounts

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**IOP** Institute of Physics

# **Institute of Physics**

# **Annual Report 2022**

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

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## Institute of Physics

### Trustees' Annual Report and Financial Statements for the year ended 31 December 2022

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## Our Objectives, Purpose and Aims

**The Institute of Physics (IOP) is the national physical society for the UK and Ireland. The objective of the IOP, as stated in its Royal Charter, is to promote the advancement and dissemination of a knowledge of, and education in, the science of physics, pure and applied, for the benefit of the public and the members of the IOP.**

The trustees confirm that they have referred to the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator (OSCR)'s guidance on public benefit when reviewing the IOP's aims and objectives and in planning future activities. The IOP meets the public benefit test in the following ways:

- the advancement of education;
- the advancement of science;
- the advancement of community development; and
- the promotion of equality and diversity.

The IOP works to advance physics research, application and education, and engages with policymakers and the public, to develop awareness and an understanding of physics.

We undertake many activities to further our purposes for the public benefit, including:

- our support for learners, teachers and curriculum development, in order to support universal access to quality learning pathways – academic and technical;
- continued improvements in the quality of physics teaching in schools and colleges;
- our focus on building a more diverse, inclusive and vibrant physics community. We actively seek to encourage students from under-represented groups to study physics beyond the age of 16, and work relentlessly to break down barriers so all pupils can have a high-quality physics education;
- our publication of journals, books, conference proceedings and science news to bring high-quality physical science research to a wide audience, ensuring the latest research developments are seen, shared and built upon. IOP Publishing Limited (IOPP) is committed to making universal access to scientific research a reality, supporting greater access, transparency and inclusivity across the physical sciences;
- our efforts to connect physicists working in all sectors, to drive innovation and support the delivery of ground-breaking technologies that will help shape the economies of the UK and Ireland;
- our work to raise public awareness of the value of physics. By showing how physics affects all of our lives, we spark interest in the subject and encourage more people to get involved in it;
- our events and conferences, which support a thriving physics ecosystem, bringing together the community from across the UK, Ireland and internationally, to share knowledge about the discipline and its applications, explore collaborations and provide networking opportunities; and
- our work to continually increase professional and ethical standards across the physics community, driving excellence and supporting inclusive workplaces.

## Institute of Physics

### Trustees' Annual Report and Financial Statements for the year ended 31 December 2022

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## Our Strategy: Unlocking the Future

Our strategy identifies three key challenges that present the greatest barriers to unlocking the potential of physics and its impact in society:

### Diversity and skills

We want to build a thriving, diverse physics community so everyone, regardless of background, has access to world-class physics education and training.

### Unlocking capability

We want to ensure the UK and Ireland are able to realise the full societal and economic benefits of the new industrial era.

### Public dialogue

We want to show the impact of physics on people's lives, to enable informed public debate on funding and policy.

To meet these challenges, we have **six aspirations** for the changed world we want to see at the end of the strategy period. This is a broad and ambitious strategy and our aspirations are also ambitious.

1. Every secondary school pupil in the UK and Ireland will have access to a specialist physics teacher.
2. Girls will make up at least 30% of those taking physics at age 16–19 and there will be double the current number of young people from black and minority ethnic and lower socio-economic backgrounds.
3. There will be clear roadmaps and funding commitments from the UK and Irish Governments that propel research and development investment towards the Organisation for Economic Co-operation and Development average of 2.4% of gross domestic product.
4. Double the current number of people will be employed in technical roles in physics based and engineering businesses and the number of those on physics-based science apprenticeships will have increased by a factor of 100.
5. Our publishing services to the worldwide physics community will have further improved such that the number of scientists publishing their research in our journals will grow by 25%.
6. 10% of the population will have a meaningful engagement with a physics based public event and 1% will have sustained contact with physics.

## Institute of Physics

### Trustees' Annual Report and Financial Statements for the year ended 31 December 2022

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## **Our Activities, Achievements and Performance**

### **Supporting our members**

There are more than 21,000 IOP members, ranging from undergraduates to globally recognised specialists. Our role is to support, inspire and engage with members at every level.

In 2022, that included launching our new Professional Registration Adviser service. Our seven professional registrations – RSciTech, EngTech, RSci, IEng, CSci, CEng and CPhys – provide highly regarded, peer-reviewed recognition of scientists' and engineers' skills. The new adviser service means members who are seeking registration but do not have access to a mentoring programme or structured support can now get advice from expert members to aid their progression.

We also completed assessments of IOP-accredited degree programmes at Trinity College Dublin and the Universities of Birmingham, Kent, Leeds, Manchester and Oxford. And we reaccredited six training schemes at major companies, helping employees move towards accreditation. All of this work increases IOP members' knowledge, skills and potential career progression.

Also in universities, we delivered online workshops on the LaTeX and Vim scientific reporting tools, attended by 170 students. We ran the FUSE2020 forum to build collaboration between IOP-affiliated student societies. And our vice-presidents visited universities to meet and listen to members, with Professor Martin Freer spending time at Manchester Metropolitan University, and Dr Lisa Jardine-Wright leading a two-day programme for members in Liverpool that included visits to the University of Liverpool and Liverpool John Moores University.

It is vital that financial concerns do not stop people from engaging in physics. With that in mind, we offer concessionary IOP membership rates for anyone earning less than £21,500 per year. Undergraduates, trainees and apprentices are able to join the IOP for £15.

Our Benevolent Fund provides financial support for IOP members and, in 2022, was able to offer assistance to members who were financially impacted by COVID-19 and by the war in Ukraine.

As part of our commitment to support scientific research globally, researchers in many lower income countries are able to access our subscription journals, or publish in our open access journals, at a discounted rate or for no cost.

We also support our members by representing their interests to decision makers and influencers through our advocacy and campaigning work, examples of which are given in the following sections.

### **Supporting young people to change the world by continuing physics beyond the age of 16**

Through our Limit Less campaign, we help young people to see there are no limits to what can be achieved through physics – or to who can take part in it. In 2022, we worked with everyone from teachers to social media influencers to get that message heard loud and clear.

With our partner, Founders4Schools, we launched the Limit Less Ambassadors scheme. 59 people with a physics background, including academics, professionals and postgraduate students, have volunteered to become ambassadors, with 19 speaking at events, reaching more than 5,000 young people in schools and communities. This is a powerful way to inspire the next generation, and makes the huge range of physics-related career options feel more achievable.

**Institute of Physics****Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

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**Our Activities, Achievements and Performance (continued)****Supporting young people to change the world by continuing physics beyond the age of 16 (continued)**

We also worked closely with IOP members in 2022, co-creating a guide to running physics events for families. We know parents, carers and relatives can play a vital role in challenging the stereotypes and misconceptions that make young people feel locked out of physics. The new guide helps our members run inclusive, engaging family events that bring the Limit Less campaign to life.

Our social media team also produced in-depth guidance in 2022, helping people communicate about physics effectively to diverse audiences online. And our TikTok Limit Less videos continued to achieve enormous reach, with four new 'Don't Ruin My Hair' videos – explaining the secrets of surface tension – clocking up more than 750,000 views. As well as spreading the word that physics is for everyone, the films were nominated for multiple awards, alongside global organisations including Netflix and McDonald's.

In schools, we continued to gather support for our Limit Less manifesto. This 10-step plan calls on the UK and Irish governments to take a range of actions, including mandating nurseries and schools to develop whole-school equity action plans. 70 more schools and two multi-academy trusts signed up to the manifesto in 2022. We also continued to lobby government directly, gaining commitments from policymakers in the UK and Ireland to improve the use of data related to STEM subjects and diversity and inclusion.

Meanwhile, Superheroes Unlimited introduced families to five amazing role models, based on a diverse group of real-life physicist heroes. First seen at our summer exhibition in London, they shared their stories and encouraged budding superheroes to save the world with science. In total, 2,854 people joined us in-person for Superheroes Unlimited events, and over 2,000 more checked out our resources online.

Finally, in the classroom, we received over 100 submissions from schools to our new competition, The Eureka. The Eureka challenged students to see physics differently by posing just one question: What is the point of physics? Winning entries included a cake shaped like a cochlear implant, as students looked at physics in a whole new light and let their imaginations run wild.

**Building a diverse, thriving and effective physics community****Learning and skills**

We saw our shift towards a greater emphasis on influencing and partnership-working to deliver impact at scale start to really bear fruit, supported by some key changes in the internal organisational structure.

Our landmark 2020 Subjects Matter report has provided a platform for us to build a coalition of like-minded bodies that have a shared vision for subject-specific professional learning and re-training for teachers, supporting teacher retention and helping close the subject specialist teacher gap. This played an important role in opening up a dialogue with the UK government Department for Education's (DfE) most senior official and ministers. Looking to the future, this will provide an invaluable platform to keep working with the UK government to tackle the biggest issues facing physics education in England. Similar top-level influencing activity linked to Subjects Matter also took place (or is planned for 2023) across the devolved nations and Ireland.

We also worked with the DfE and partners in the engineering sector to develop a pilot PGCE teacher training qualification for engineers. It is specifically designed and marketed to encourage engineering graduates to become physics teachers. The hope is that this pilot could initially result in an additional 50 new physics teachers qualifying each year, with scope to scale up.

**Institute of Physics****Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

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**Our Activities, Achievements and Performance (continued)****Learning and skills (continued)**

With data in December 2022 showing physics teacher recruitment in England at a 15-year low as part of a wider down-turn in teacher recruitment, this approach could represent a vital breakthrough. Alongside this, we were again successful in our bid to run DfE's initial teacher training scholarships in England, now including for the first time a specific focus on targeting support at areas of greatest socioeconomic disadvantage.

In addition, we have renewed our focus on physics-related technical skills and apprenticeships with the launch of a dedicated team to lead our work in this space. Early groundwork included a landmark research project (since published in early 2023) into the barriers limiting the take-up of physics-related apprenticeships across the UK and Ireland. Building on the influencing theme, this will underpin a series of national and regional summits across the UK and Ireland, complementing our close engagement with national governments and agencies on reforms such as T Levels.

**Awards**

Five technicians and one apprentice were among the 50 winners recognised in our IOP Awards and IOP Business Awards in 2022. The Awards celebrate excellence across the UK, Ireland and internationally, with winners ranging from those who have only recently started their careers to physicists known around the globe.

2022's Isaac Newton Medal and Prize winner was Professor Margaret Murnane, who was recognised for her work on ultrafast lasers and X-rays. Professor Andrea Mia Ghez and Professor Ora Entin-Wohlman were also made IOP Honorary Fellows. And companies leading the way in areas from neutron detection to breast cancer diagnosis were recognised in our Business Innovation Awards and Business Start-Up Awards.

**Events**

Our Special Interest Groups (Groups), Nations and Branches once again went to great lengths to deliver a ground-breaking programme of member-led events and activities in 2022. Our Groups alone organised 75 events across the UK and Ireland, attracting over 6,000 participants. Meanwhile, our conferences team supported over 100 events for members, held at venues across the UK and Ireland and streamed simultaneously online. This blended approach made the events more accessible than ever for members looking to attend, develop their knowledge and share pioneering research.

Highlights included Photon 22, a conference focused on optics and photonics that brought together 400 members of the physics community from eight Groups. In line with our commitment to increase accessibility, it was one of many blended events held throughout the year, with sessions available in-person and online. We were also finally able to deliver CMD-29 in Manchester, a large international conference covering all aspects of condensed matter physics that had been delayed by the pandemic. Over 650 delegates joined us from more than 40 countries, highlighting the value and attraction of international collaboration and networking.

**Policy**

In February 2022, we submitted our response to the House of Commons Science and Technology Committee Inquiry into Diversity in STEM. This called on the UK government and devolved administrations to improve data collection and transparency in STEM, implement our Limit Less campaign recommendations and take steps to reduce professional misconduct. It led to our Deputy Chief Executive, Rachel Youngman, being invited to give evidence to the committee in person. Looking forward, we will continue to use every opportunity to focus attention on this fundamental challenge.

**Institute of Physics****Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

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**Our Activities, Achievements and Performance (continued)****Unlocking the full value of physics to society and the economy**

Our work to help the UK and Ireland power the new industrial era took many forms in 2022. We showed how our economies, workforces and research and development (R&D) infrastructure must be transformed to realise the full benefits of physics to society and our economies, and we convened key stakeholders to drive forward progress on critical technologies.

We began the year by publishing our latest analysis of the economic contribution of physics in the UK and Ireland, and in England, Wales and Scotland individually. This revealed that while physics already supports nearly two million jobs across the UK and Ireland, without concerted action and investment, our economies will be unable to take full advantage of physics' potential impact on growth, prosperity and living standards.

We also published new research into physics skills in the UK and Ireland. This highlighted demand for physics at all skills levels, but also found significant unmet demand, with employers struggling to grow and innovate because of skills shortages. The study made clear the need to urgently bolster physics skills in the current and future workforce.

In combination, these studies became a powerful lobbying tool, and we played our part alongside many other organisations in convincing the UK government to maintain its vital commitment to increase R&D investment to 2.4% of GDP by 2027. In Ireland, the government also published a new science and innovation strategy, and we welcomed its renewed commitment to invest 2.5% of GNP in R&D.

This work set the foundation for our new multi-year project, 'Physics: Investing in our future'. Launched in March 2022 with an online conference and a consultation of the IOP's 21,000 members, the project led to the publication in September of the first part of our blueprint for physics R&D in the UK. Launched in Westminster, the blueprint calls for radical changes across R&D's four key pillars – discovery, business innovation, people and infrastructure. It will now inform our work with business, industry and academic partners to help bring about urgently needed reform and stop the UK being left behind. A similar project was launched in Ireland with a community consultation and a panel discussion with senior figures from the scientific, government and business communities. The first part of our blueprint for physics R&D in Ireland will be published in 2023.

**Shaping the debate to influence and drive impact**

In 2022, to complement our macro-level work, we launched new work to identify tangible, near-term opportunities to shape the debate and drive change on issues that matter for the physics community in academia and business.

We ran two successful projects which opened up opportunities for our community to shape national growth strategies for quantum and semiconductor technologies.

To inform a planned National Quantum Technologies Strategy, we involved more than 150 expert members in workshops and roundtables whose inputs were distilled into [A Vision for Quantum Technologies in the UK](#) with a 10-point plan to accelerate growth in the UK quantum sector – launched alongside UK Quantum's inaugural meeting at the IOP's London office, and highlighted at the National Quantum Technologies Showcase. This provided useful stimulus and evidence for the teams developing National Strategy, but also stimulated internal action: members in start-ups, SMEs and large businesses proposed and established a new group – quantum Business Innovation and Growth (qBIG) – to help realise the vision.

**Institute of Physics****Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

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**Our Activities, Achievements and Performance (continued)****Shaping the debate to influence and drive impact (continued)**

A new partnership with leading venture capital company Quantum Exponential saw the creation of a funded prize for start-ups successfully commercialising quantum and work with the high growth business, Orca Computing led to an innovative Annual Quantum Coding Challenge to support and inspire A level students.

We also supported government teams developing thinking on the UK approach to building a semiconductor industry via a national semiconductor strategy by convening experts to support thinking on key areas – with their central recommendation that a National Institute be established as part of a strategic national approach. In September we relayed their findings and, in December, the UK government released a large-scale tender for a feasibility study on a 'National Institution for Semiconductors'. The workshop report has now been [published](#) alongside a call to keep up the pressure on government to announce the long-awaited semiconductor strategy which received national media coverage.

**The IOP Challenge Fund**

Launched in 2021, the Challenge Fund was set up to maximise the benefits of physics to our society and economy, by supporting innovative ideas, programmes and partnerships that accelerate and sustain large-scale change. In 2022, we awarded the first initiative funding of £1.9m to [Planet Possibility](#).

Designed and run by a consortium of charities, universities and businesses, Planet Possibility is a new drive to attract young people from under-represented groups to physics. It includes a pioneering digital platform full of engaging and inspiring careers content, along with a programme of activity designed to challenge misconceptions and stereotypes.

By firing up their imaginations with the opportunities that physics presents, Planet Possibility will help a new generation of young people, and especially those from under-represented groups, unlock their full potential and seize their chance to help change the world for the better.

**Showing the impact of physics and inspiring informed public conversations**

One of the central aims of our strategy is to get people talking about physics. We want to inspire knowledgeable debate about the role of physics in areas including healthcare, climate change and cyber-security. In 2022, we kept the conversations growing with help from [superheroes](#), our podcast and physicists working in communities.

Through our Communities in Conversations project, we also sparked rich, in-depth discussions about physics in Rochdale and Cardiff last year. Over six weekly sessions, local physicists – including undergraduates, teachers and retirees – met with a small group of people locally to share ideas and discuss the role and relevance of physics. In Rochdale the group was mostly made up of women of South Asian heritage, while mainly North African women attended the Cardiff group. Both backgrounds are under-represented in the physics community, and this is one of the many ways in which we worked in 2022 to help break down barriers to inclusion in physics.

We also reopened our Limit Less Public Engagement Grant Scheme in 2022, giving grants of up to £3,000 to six organisations. Recipients included a science festival in Newtown, Wales, a 24-week children's STEM workshop series in Newcastle and RaspiKidd - a project in Perth, Scotland that teaches programming through automated gardening.

**Institute of Physics****Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

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**Our Activities, Achievements and Performance (continued)****Showing the impact of physics and inspiring informed public conversations (continued)**

Lastly, our popular Looking Glass podcast also returned in 2022. With an overall focus on climate solutions, the series explored the role of physics in fighting air pollution, protecting our soil and stopping wildfires, with an additional emphasis on interdisciplinary and diverse voices, and conversations in communities. Episodes of Looking Glass have now been downloaded over 115,000 times.

**Becoming a stronger organisation to deliver on our strategy**

As the IOP works to build a more diverse physics community, unlock the full value of physics and inspire public dialogue, we must also keep improving how we work to achieve the greatest impact. In 2022, across the IOP Group, we continued to embrace flexible working and to put inclusion and diversity at the heart of everything we do.

The Employers Network for Equality and Inclusion (enei) shortlisted us for an award in 2022 for our progressive, agile and flexible working practices. All IOP staff can now choose their hours and workplace, and this year we continued to embed the systems and processes needed to support this shift. Only 15% of IOP staff now choose to work the majority of their time in our office, but productivity measured against the goals set out in our Business Plan has not reduced and 91% of IOP staff now feel positive about their wellbeing – a significant increase over the previous 18 months and in line with rising levels of wellbeing since 2019.

We also won a Bronze Award in the enei's TIDEMark Awards for our progress on diversity and inclusion. We expanded our Inclusion and Diversity Committee, chaired by Professor Helen Gleeson, and recruited members to help guide its work. Our multicultural staff network and LGBT+ network ran a series of events as they began to meet again as pandemic restrictions eased. And we ended the year with a highly successful workshop and celebration with the LGBT+ Physical Sciences Network, in collaboration with the Royal Astronomical Society and Royal Society of Chemistry.

We also began the process of designing a new inclusion model, which will eventually replace Project Juno, our flagship gender equality award for university physics departments. Project Juno has created major progress across the UK and Ireland since its launch in 2008. But a new model is needed to promote diversity in all of its forms, and in 2022 we recruited a steering group of IOP members to ensure its replacement encompasses the full range of challenges facing the physics community within higher education today.

The IOP Leadership & Management programme concluded towards the end of 2022. As a result of the programme, participants told us they had a broader sense and more consistent understanding of what the role of a manager in the IOP is. They expressed the sense of purpose and values aligned to both the organisational strategy and the individual's role and also felt they had been empowered to try new approaches and share ideas and learning. Our recent staff survey showed that 92% of staff felt positively about the line management they received.

Our core skills programme, Taking Care of Business, has continued to be rolled out across the organisation, supporting staff to make the shift in our ways of working. Several key areas of the IOP have been restructured to better align to the strategy and enable more effective working relationships.

**Institute of Physics****Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

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**Our Activities, Achievements and Performance (continued)****IOP Publishing Limited (IOPP)**

IOPP is a wholly-owned subsidiary of the IOP and a leading international scientific publisher, working to expand the world of physics by providing impact, recognition and value for the scientific community and ensuring greater access to scientific knowledge.

The sector-wide shift towards open access publishing continued throughout 2022. Open access content made up 41% of IOPP's total journal output in 2022 compared to 26% the year before. In addition, 8% of its total journal output was published open access under a transformative agreement. From 2023 IOPP will have transformative agreements with more than 700 institutions covering 28 countries.

Our portfolio of fully open journals continued to grow with the launch of three new journals publishing cutting-edge research in vital areas of environmental science and we supported our partner the International Atomic Energy Agency (IAEA) as it transitioned *Nuclear Fusion* to a fully gold open access journal.

Over the course of the year, 29,500 articles were published and there was a 15% increase in usage of journal content. The ebook programme expanded with the addition of 111 new titles and 461,000 downloads of content. In total, IOPP has published 791 ebooks from authors across the globe since the inception of the programme 10 years ago. For conference proceedings, 28,000 open access papers were published, representing conferences from 47 countries. Proceedings were downloaded 26.4 million times. Ensuring the quality and efficiency of the peer review process remained a priority. Just two years after launching the [Peer Review Excellence: IOP training and certification programme](#), 10,000 reviewers have now achieved IOP trusted reviewer status. More than 4,000 people have now signed up for the peer review elearning hub, which gives researchers around the world the option to build their peer review competency online, for free.

## Institute of Physics

### Trustees' Annual Report and Financial Statements for the year ended 31 December 2022

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## Plans for 2023

### The IOP

As we reach the fourth year of our strategy, Unlocking the Future, we will continue to grow our reach and influence, rooted in the firm foundations of the preceding years' achievements. Our aim is to secure lasting impact for the future of physics, for the physicists we represent and for our economies and communities.

Our members are at the heart of our organisation. Throughout 2023, we will ensure they enjoy the full range of benefits of their membership, and are part of the delivery of the strategy and its positive impact for the benefit of physics in society nationally and internationally. Given the turbulent environment in which we operate, and the challenges presented by the reduction in Gift Aid revenue from IOPP, we will start to plan a new organisational strategy to address those challenges, and supported by a new income diversification strategy. Ensuring that we capture and reflect our members' views will be central to the development of that strategy.

In 2023, building on successful impact projects around Quantum Technologies and Semiconductors, we have identified further opportunities to work with our members and the wider physics community to shape the debate on the issues that our members feel strongly about, including the Green Economy, Venture Capital and Positioning, Navigation and Timing (PNT).

Alongside this, we will introduce new processes to deliver the best experience possible for our members, including digital development, and enhancements to our Professional Registration scheme. And to help reflect the work of the physics community, we will hold a new Summer Festival in June 2023, which will also see us celebrate our IOP Award winners from 2020 - 2022 in person.

The Limit Less campaign will gather pace throughout 2023 to deliver its goal of supporting young people to change the world by continuing physics beyond the age of 16. This will see us puncture off-putting stereotypes about physics and physicists, spearheaded by our journalism and social media guidelines and our flagship [Bin the Boffin](#) campaign. Our campaign will continue to focus on stopping the use of the word "boffin". And we will use our new guidelines to support journalists and social media users and make sure they are used to reinforce positive messages and images. In order to drive a whole-school equity approach, we will take a two-pronged approach by influencing both politicians, and teachers and those responsible for school governance. And we will foster a network of Limit Less ambassadors amongst our members and the wider physics community to amplify and support our campaign messages across business and the wider public.

Our efforts to build a diverse, thriving and effective physics community will continue. We will do this by working to overcome barriers to inclusion and ensuring that everyone, regardless of their background, has access to world-class physics education and training. To this end, we will work towards closing the specialist physics teacher gap, focusing on teacher recruitment, retention and retraining, and influencing to ensure that the physics curriculum meets the needs of young people. We know that we must do more to develop the non-degree physics skills our economies need to grow, including addressing vital technical skills gaps, working across the UK and Ireland to ensure more young people have access to quality training on the physics-relevant topics that industry needs. This will include acting on the recommendations of our recent 'Solving Skills' report on the key barriers to uptake for physics-relevant apprenticeships. By firing up their imaginations with the opportunities that physics presents, Planet Possibility will help a new generation of young people, and especially those from under-represented groups, unlock their full potential and seize their chance to help change the world for the better. And crucially, we will evaluate and celebrate [Project Juno](#) and, as we look to the challenges of the years ahead, begin to develop a new inclusion model that builds on Juno, providing a benchmark of good practice for university departments to increase diversity and inclusion in physics.

**Institute of Physics****Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

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**Plans for 2023 (continued)****The IOP (continued)**

With general elections in the UK and Ireland expected by early 2025, we will represent the physics community's views and shape the debate amongst politicians to inform the policies of the next governments. We will continue our influencing work in the nations and Ireland and will launch our R&D blueprint in the latter. And we will work with partner organisations and the wider physics community to secure the UK's association to the Horizon Europe programme.

As we seek to show the impact of physics and inspire public debate, we will refine our approach to our Communities in Conversation to create open and balanced dialogue between under-represented community groups and the physics community. And, following the success of 2022's Superheroes exhibition, we are planning events in London and Dublin to showcase the excitement of physics and the opportunities it can offer, with a particular focus on getting our messages across to families with younger children.

**IOP Publishing Limited (IOPP)**

IOPP's emphasis is on making access to physics research universal. To do this effectively, we need to focus on developing even deeper relationships with the scientific community, delivering service excellence and striving for inclusivity at every step of the publishing process.

We will continue to secure transformative agreements on a global scale. Approaching them in a progressive and equitable way is key to the long planned-move to open access acceleration and will ensure maximum opportunities exist for participation by our regional customers and consortia partners.

The planned investment in the move to open access will impact on profits that are transferred directly in the form of Gift Aid to IOP to support IOP's work. It is crucial that IOPP as a learned society publisher fully embraces the move to open access. As IOPP goes through that transition the IOP has recognised the need to carefully manage IOP resources and prioritise where we can achieve the most impact for physics and for physicists.

Putting the needs of the scientific community first remains at the heart of everything IOPP does. We will continue to improve the publishing experience for authors and reviewers, combining rigour and excellence with efficiency and speed and a commitment to the highest integrity standards. In partnership with Morressier – an organisation which develops workflows for transforming scholarly communications - we are developing a modern, interoperable state-of-the-art submission and peer review system. With researcher requirements built-in, it will streamline the process for authors and reviewers and improve the quality of scientific outputs.

Ultimately, the success of the scientific communities that we serve is the measure of our own success. Ensuring the widest dissemination and visibility of the research that we publish delivers recognition, impact and value for the scientific community. The transition to an open future is central to our vision of becoming a trusted partner in the advancement of high-quality research that delivers social and economic benefit to the world.

Our work throughout 2022 and across both the IOP and IOPP has demonstrated our agile, pragmatic approach to devising ways of delivering change to support the wider physics community. We will redouble our efforts to become a stronger organisation to help us do this, working with our members, staff and volunteers and of course our Council's Member Reference Group to maximise financial and social return on our resources.

**Institute of Physics**

**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

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**Plans for 2023 (continued)**

**Ukraine**

On 3 March 2022 we issued a statement condemning without reservation the Russian invasion of Ukraine. We stated that Russia's actions are a violation of one of the most fundamental norms of international law that prohibit the use or threat of force by one state against another. We continue to stand by that position.

To support Ukrainians affected by the war, we have agreed to provide matched funding alongside the Benevolent Fund of up to £100,000 to provide support to professional physicists suffering hardship as a result of the war.

Meanwhile, IOPP gave Ukrainian institutions free access to all content on IOPscience through our partnership with Research4Life, waived Article Processing Charges for corresponding authors based in Ukraine and offered submission extensions for any researcher whose ability to work has been affected. We also ceased sales, marketing and content commissioning to Russian organisations.

We adopted the approach signed up to by many academic publishers, which was supported by the European Physical Society, to continue to publish research where the corresponding author is from Russia, as long as they and their affiliated institution are not subject to sanctions.

## **Institute of Physics**

### **Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

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## **Structure, Governance and Management (including Reference and Administrative Details)**

### **Constitution and Governing Document**

Tracing its roots back to 1874 and the Physical Society of London, but originally incorporated in 1920, the IOP as currently constituted was established by Royal Charter (as subsequently amended) on 30 September 1970. This Royal Charter, which is supplemented by Bylaws and Regulations, is the IOP's governing document.

### **Registered Details**

The IOP's registered name is the Institute of Physics. Its principal office address is 37 Caledonian Road, London N1 9BU.

The IOP is a charity registered in both England and Wales (no. 293851) and in Scotland (no. SC040092) and is therefore regulated by both the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator. The Charity Commission for England and Wales is the IOP's lead regulator.

The IOP has applied for registration as a charity in the Republic of Ireland and has submitted an Expression of Intent for registration as a charity in Northern Ireland.

### **Banking Services and Professional Advisers**

Those providing banking services to the IOP Group are:

HSBC Bank PLC, 62 George White Street, Cabot Circus, Bristol, BS1 3BA

Details of the IOP Group's professional advisers are as follows:

#### **Independent Auditors**

PricewaterhouseCoopers LLP, 2 Glass Wharf, Bristol BS2 0FR

#### **Investment Advisers**

Until November 2022: Lane Clark & Peacock LLP, 95 Wigmore Street, London W1U 1DQ

From November 2022: Hymans Robertson LLP, One London Wall, London EC2Y 5EA

#### **Tax advisers**

Deloitte LLP, 3 Rivergate, Temple Quay, Bristol BS1 6GD

#### **Solicitors**

Eversheds, 1 Callaghan Square, Cardiff CF10 5BT

The IOP does not, however, have a sole appointed solicitor or formal panel of solicitors.

#### **Internal Auditors**

From November 2022: Crowe UK LLP, 55 Ludgate Hill, London EC4M 7JW

### **Annual General Meeting**

Each year the IOP holds an Annual General Meeting, the rules of which are set out in the Bylaws and Regulations, at which all members are entitled to attend and vote. Membership fees and the appointment of the auditors are approved by the membership at the Annual General Meeting.

**Institute of Physics****Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

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**Structure, Governance and Management (continued)****The Council (Board of Trustees)**

As set out in the Royal Charter, the IOP is governed by its Council. This consists of trustees elected from, and by, the membership, and up to three co-opted trustees who are appointed by the Council itself.

All members of the Council are trustees of the IOP. The Council has the ultimate responsibility for directing the affairs of the IOP, ensuring that it is solvent, well-run and delivering the charitable outcomes for the benefit of the public for which it has been established. The Council sets and monitors the IOP's strategy which delivers these charitable outcomes.

Of the elected trustees, there are four senior officers and currently four vice-presidents. The senior officers are the President, President-elect, Honorary Secretary and Honorary Treasurer. The current four vice-presidents are for Business, Education and Skills, Membership, and Science and Innovation. There are ten additional elected General Trustees.

Co-opted trustees are appointed as needed to cover areas requiring specific expertise.

There are currently nineteen trustees on the IOP Council (including one co-opted trustee).

The Council has also appointed a representative to advise it on equality, diversity and inclusion matters. The appointee is not a trustee or member of Council.

The Council generally has four scheduled meetings per year, with ad-hoc meetings as needed. All trustees give their time voluntarily and are not remunerated for their work on behalf of the IOP beyond the reimbursement of reasonable expenses.

**Elections to Council**

The rules governing the election of trustees are set out in the Bylaws. At the start of each year, the number of vacancies that will arise that year is identified. With delegated powers from the Council, the Nominations Committee then evaluates the balance of skills, knowledge, experience and diversity of trustees and, in the light of that evaluation, prepares a description of the role and capabilities required for each particular vacancy on the Council. A notice of vacancies, along with role descriptions, is published and members are able to nominate themselves.

The Nominations Committee then assesses the nominations received from members to confirm eligibility and that candidates meet the requirements laid out in the role descriptions. Where there is more than one nomination for any vacancy, a ballot takes place. Where there is only one nomination for any vacancy, that nominee is deemed elected, assuming they meet the eligibility and role description requirements.

Trustees generally serve one four-year term. Exceptions to this are the President who serves a two-year term plus two years immediately preceding that as President-elect, and the Honorary Treasurer and Honorary Secretary, who are eligible to stand for election for a second four-year term. Co-opted trustees may be appointed for a term determined by Council which may not normally exceed three years.

**Induction and Training of Trustees**

Formal induction is given to all new trustees, who are invited to attend a meeting with IOP staff as part of the induction process. Trustees are also provided with training on key topics of interest during their term of appointment.

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

## Structure, Governance and Management (continued)

### Conflicts of Interest

Trustees have a duty to declare conflicts of interest so that they can ensure that at all times they are taking decisions that are in the best interests of the IOP.

The IOP maintains a register of trustees' interests, which is updated annually by trustees and as any changes are reported.

Procedures are in place for managing conflicts of interest that may arise during Council meetings.

### Details of Trustees

Details of the trustees at the date of this Report are as follows.

There are no corporate trustees or trustees holding property for the IOP.

Role	Name	Appointment Date	Retirement Date
President	Professor Sheila Rowan CBE FRS FRSE Hon FInstP	1 Oct 2021 <sup>1</sup>	30 Sep 2023
President-elect	Professor Sir Keith Burnett CBE FRS FInstP FLSW	1 Oct 2021	30 Sep 2023 <sup>2</sup>
Honorary Secretary	Professor Alison McMillan CEng CPhys FInstP FIMechE FHEA	1 Oct 2021	30 Sep 2025 <sup>3</sup>
Honorary Treasurer	Professor David Delpy CBE FRS FEng CPhys FInstP FMedSci	1 Oct 2019	30 Sep 2023 <sup>4</sup>
Vice-President for Business	Dr John Bagshaw CEng CPhys FInstP FRAeS	1 Oct 2020	30 Sep 2024
Vice-President for Education and Skills	Dr Lisa Jardine-Wright OBE CPhys FInstP	1 Oct 2020	30 Sep 2024
Vice-President for Membership	Dr Elizabeth Cunningham MInstP FRAS	1 Oct 2021	30 Sep 2025
Vice-President for Science & Innovation	Professor Martin Freer FInstP	1 Oct 2019	30 Sep 2023
General Trustees	Rosalie Benjamin MInstP	1 Oct 2021	30 Sep 2025
	Professor Philip Burrows CPhys FInstP	1 Oct 2021	30 Sep 2025
	Dr Gayle Calverley-Miles CSci CPhys MInstP MBCS MIScT	1 Oct 2019	30 Sep 2023
	Professor John Dainton FRS CPhys FInstP FRSA	1 Oct 2021	30 Sep 2025
	Professor Claudia Eberlein CPhys FInstP	1 Oct 2020	30 Sep 2024
	Professor Martin Hendry MBE FRSE FInstP	1 Oct 2019	30 Sep 2023
	Dr Alix Pryde FInstP	1 Oct 2019	30 Sep 2023
	Dr Peter Thompson FEng CEng FInstP FRSC	1 Oct 2022	30 Sep 2026
	Dr Melissa Uchida MInstP	1 Oct 2022	30 Sep 2026
Jane Weir CSci CPhys MInstP	1 Oct 2021	30 Sep 2025	
Co-opted Trustee	Dr Yvonne Kavanagh CPhys MInstP	1 Oct 2022	30 Sep 2023 <sup>5</sup>

<sup>1</sup> Was President-elect from 1 Oct 2019 to 30 Sep 2021

<sup>2</sup> To be President from 1 Oct 2023 to 30 Sep 2025

<sup>3</sup> Eligible to stand for election for a second term.

<sup>4</sup> Eligible to stand for election for a second term.

<sup>5</sup> Eligible for re-appointment up to a maximum term of three years

**Institute of Physics****Trustees' Annual Report and Financial Statements for the year ended 31 December 2022****Structure, Governance and Management (continued)****Details of Trustees (continued)**

Details of the trustees during the reporting period but who have now retired are as follows:

<b>Role</b>	<b>Name</b>	<b>Appointment Date</b>	<b>Retirement Date</b>
Ordinary Member (now called General Trustee)	Dr Tariq Ali CPhys FInstP FRAS	1 Oct 2018	30 Sep 2022
Co-opted Member (now called General Trustee)	Dr Tamara Cleford CEng CPhys FInstP	1 Oct 2018	30 Sep 2022
Co-opted Member (now called Co-opted Trustee)	Professor David Riley FInstP	1 Oct 2021	30 Sep 2022

**Trustee Evaluation and Skills Audit**

A trustee evaluation survey was undertaken in March 2022 and reported to Council in May 2022. Key strengths from this survey were the chairing of Council meetings, provision by Council of strategic leadership, mutual trust and openness, and a good understanding by Council of the IOP, its objectives and strategic direction. Areas to address included length and frequency of meetings, length and clarity of papers, agenda focus, induction and training, and diversity.

At the same time as the trustee evaluation survey, a trustee skills audit was also undertaken. Findings from this included that there were key strengths in research, higher education and research funding, policy and strategy, outreach and engagement, and links to other societies. Skill areas to address included legal, campaigns, fundraising, investment management and business improvement.

We are undertaking a trustee evaluation survey and skills audit again in 2023, as well as an evaluation survey for key governance committees.

**Trustee Code of Conduct**

In 2022, we adopted a new Trustee Code of Conduct which has been signed by all of our trustees. This sets out the standards and practices expected of all our trustees, in order to ensure that the highest standards of integrity and stewardship are achieved, that the IOP is, and is seen as, effective, open and accountable, and that the working relationship between the trustees, employees, our members and volunteers is productive and supportive. We are updating the Trustee Code of Conduct in 2023.

**Bylaws**

In 2022, we undertook a review of our Bylaws to ensure they remain robust, reflect best practice and are appropriate for the IOP as it moves forward with its strategy. Those Bylaw changes were approved by the members in a Special General Meeting held in September 2022 and were subsequently approved by the Privy Council in April 2023.

**Regulations and IOP Code of Conduct**

In 2022 and 2023, we updated our Regulations and IOP Code of Conduct.

**Institute of Physics****Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

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**Structure, Governance and Management (continued)****Decision-making and delegations**

Key strategic decisions affecting the IOP are made by Council but, in the interests of good governance and efficient management, it delegates consideration of matters in specialist areas to its committees under agreed terms of reference. It also delegates powers for executive and management decisions through the IOP Scheme of Delegation adopted in 2023. Details of the committees and senior management team are provided on the following pages.

**Committees**

The Council has a number of committees with delegated powers, thus ensuring that the required time and attention is applied to overseeing specific areas of interest. The terms of reference, delegated powers and membership of these committees are set by the Council. Committee membership is not limited to trustees, thus allowing for both wider representation from the membership and receipt of specialist external advice where appropriate.

The formal governance committees as at 31 December 2022 are set out on the following page and are marked in red.

**Council's Member Reference Group**

The Council's Member Reference Group was established in early 2022, following the Governance Review in 2021 where Council expressed a desire to hear more directly from the membership on matters that impact them and increase the opportunity for two-way conversations. The Group held two meetings in 2022, in May and November, and met again in April 2023. It is made up of representatives from diverse membership groups including Women in Physics, Retired Members and the Physical Sciences LGBT+ Network.

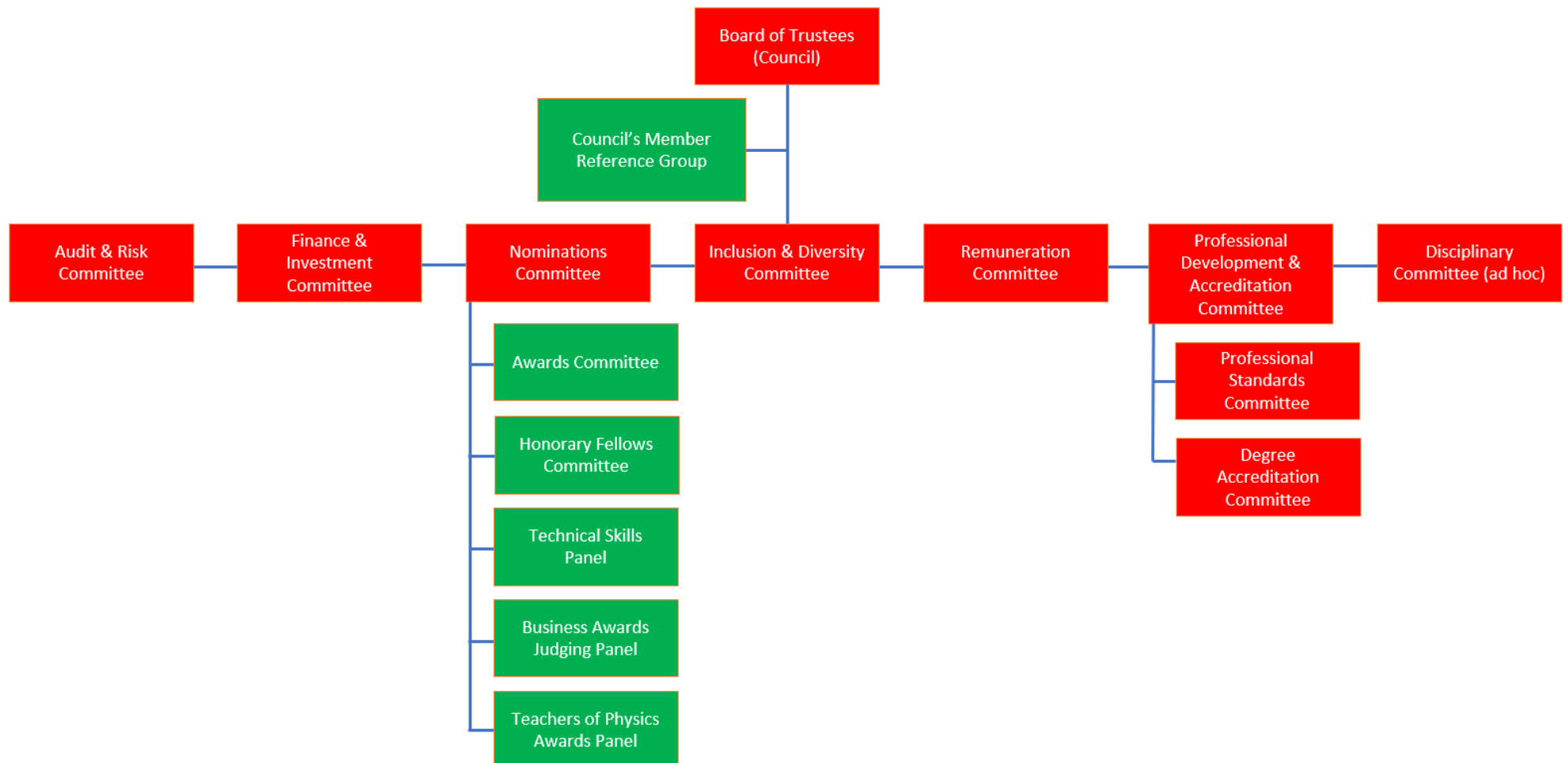
As it is in its infancy, the Group is still in the process of defining its activity and outputs. It is keen, however, to support the development of the new IOP strategy as this progresses.

At the date of this Report, the Group is Chaired by Keith Burnett as President-elect, with Elizabeth Cunningham, Vice-President for Membership, as Vice-Chair.

Institute of Physics  
Trustees' Annual Report and Financial Statements for the year ended 31 December 2022

## Structure, Governance and Management (continued)

### IOP Council and Committee Structure



Formal governance committees are shown in red.

**Institute of Physics****Trustees' Annual Report and Financial Statements for the year ended 31 December 2022****Structure, Governance and Management (continued)****Executive Management**

The day-to-day management of the IOP Group and its activities is delegated to the Group Chief Executive Officer, supported by an executive management team.

The day-to-day management of publishing activities is delegated to the Chief Executive of IOP Publishing Limited. IOP Publishing Limited has its own board of directors and a number of subsidiary undertakings that support the delivery of the publishing programme.

The Group Executive Management Team in 2022 and to the date of this report was:

Role	Name
Group Chief Executive Officer	Until 5 June 2022: Professor Paul Hardaker FInstP FRMetS CMet From 6 June 2022: Tom Grinyer
Group Chief Financial Officer	Sukhraj Dhadwar FCCA
Deputy Chief Executive, IOP	Rachel Youngman
Director of Policy and Public Affairs, IOP	Tony McBride
Director of Science, Innovation and Skills, IOP	Louis Barson
Chief Executive, IOP Publishing Limited	Antonia Seymour

**Remuneration of the Group Executive Management Team**

The pay and remuneration of the Group Executive Management Team is set and monitored on behalf of Council by the Remuneration Committee. The Committee comprises the President, President-elect, Honorary Secretary, Honorary Treasurer, and separately appointed external advisors. The Committee commissions, each year, relevant external benchmarking information from both the publishing and charity sector to support its decision-making and, when necessary, takes additional advice from specialist organisations. Please see note 10 to the Financial Statements for further information.

**Group Corporate Structure**

The IOP has a number of subsidiary undertakings, as outlined below and in the following structure chart.

To ensure clarity and appropriate governance, there are a number of agreements in place that define and describe the provision of intra-group services.

The main trading subsidiary undertaking of the IOP is IOP Publishing Limited (commonly known as IOPP).

IOPP is a wholly owned subsidiary of the IOP and is incorporated in England and Wales. Its principal activity is the publication and distribution of high-quality scientific journals, books, conference proceedings and scientific news services.

IOPP has a number of further trading subsidiary undertakings as follows:

**IOP Publishing Consultants (Beijing) Co. Limited**

IOP Publishing Consultants (Beijing) Co. Limited is a wholly owned subsidiary of IOPP and is incorporated in China as a wholly foreign-owned enterprise (WFOE). Its principal activity is to provide services to IOPP, including publishing consulting, electronic technology consulting, business consulting, market information consulting, and corporate management consulting.

**Institute of Physics**

**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

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**Structure, Governance and Management (continued)**

**Group Corporate Structure (continued)**

**IOP Marketing and Promotion Services Private Limited**

IOP Marketing and Promotion Services Private Limited is 99.99% owned by IOPP, with the remaining 0.01% of share capital owned by the IOP.

It is incorporated in India. Its principal activity is promotion and marketing services for IOPP.

**Turpion Limited**

Turpion Limited is a wholly owned subsidiary of IOPP and is incorporated in England and Wales. The principal activity of Turpion Limited is under review.

**Turpion-Moscow Limited**

Turpion-Moscow Limited is incorporated in Russia and is a wholly owned subsidiary of Turpion Limited. Its principal activity is to provide publishing services to IOP.

**IOP Publishing Moscow LLC**

IOP Publishing Moscow LLC is 99% owned by IOPP and 1% owned by Turpion Limited. Its principal activity is to provide publishing services to IOPP.

The local office in Russia was closed on 31 March 2023. Plans are now in place to formally wind down the two subsidiaries in Russia, Turpion-Moscow Limited and IOP Publishing Moscow LLC.

IOPP has a branch in Japan which is non-incorporated.

The IOP also has the following trading subsidiary undertakings:

**IOP Publishing Inc.**

IOP Publishing Inc. is a not-for-profit corporation of which the IOP is the sole corporate member. It is incorporated in the USA. Its principal activity is to provide publishing services to IOPP. All such services are provided solely in support of the IOP's charitable and educational activities.

**IOP Business Publishing Inc.**

IOP Business Publishing Inc. is a wholly owned subsidiary of IOP Publishing Inc. and is incorporated in the USA. Its principal activity is to provide advertising-sales services.

With the exception of IOP Marketing and Promotion Services Private Limited and IOP Publishing Moscow LLC, all companies are wholly owned subsidiaries of their immediate holding company.

There are two further Group subsidiary undertakings, both of which are currently dormant.

These are:

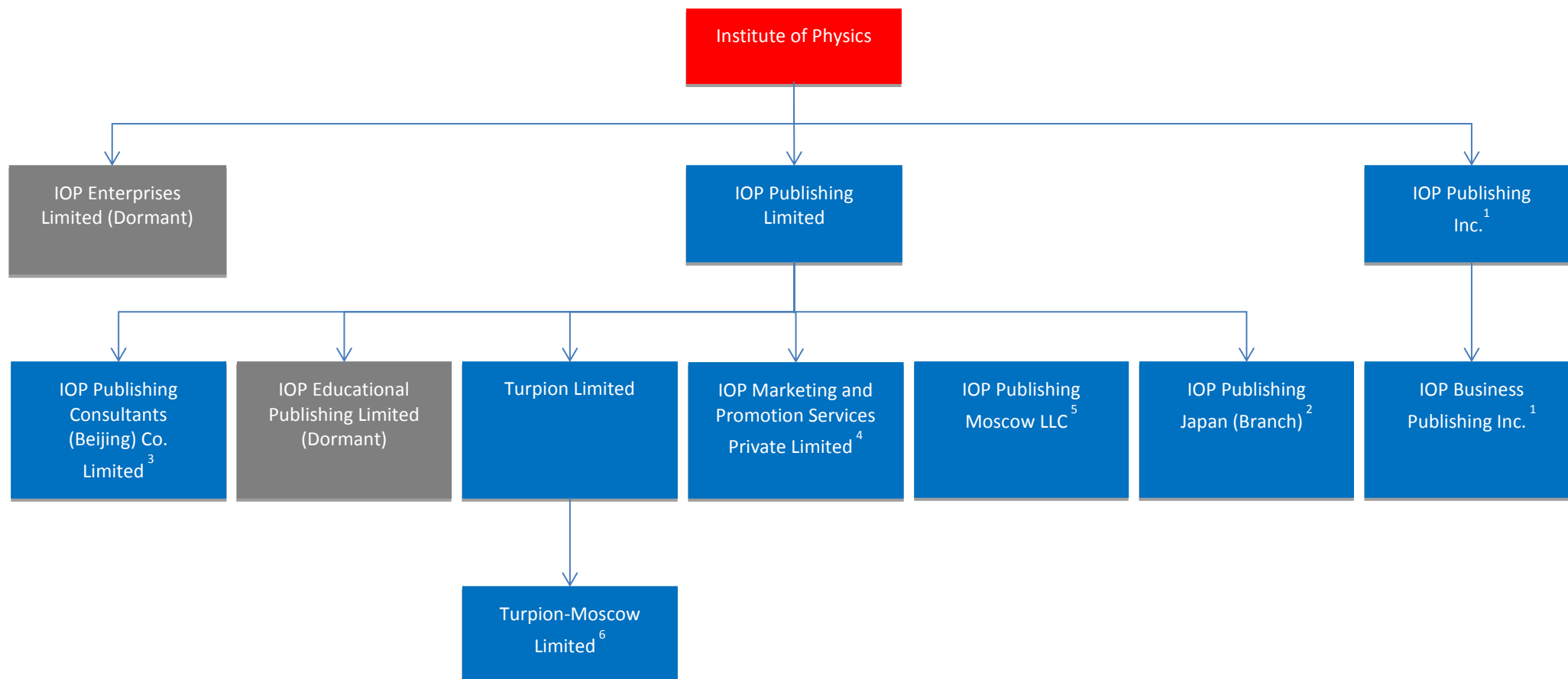
**IOP Educational Publishing Limited**

**IOP Enterprises Limited.**

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Structure, Governance and Management (continued)**

**IOP Group Corporate Structure**



- 1 – Incorporated in USA
- 2 – Japanese Branch (non-incorporated)
- 3 – Incorporated in China

- 4 – Incorporated in India (99.99% owned by IOPP and 0.01% by IOP)
- 5 – Incorporated in Russia (99% owned by IOPP and 1% owned by Turpion Limited)
- 6 – Incorporated in Russia

**Institute of Physics****Trustees' Annual Report and Financial Statements for the year ended 31 December 2022****Structure, Governance and Management (continued)****Risk management**

The Council retains overall responsibility for risk management and discusses and decides the level of risk it is prepared to accept for specific and combined risks. The Audit & Risk Committee then reviews the IOP Group risk appetite, tolerance and strategy as articulated by the Council, reviews and helps the Council and the Executive to identify major areas of risk for the IOP Group and reviews and assists the Council and the Executive in the development of processes to manage risk in those areas.

The IOP maintains a register of significant risks and maintains systems to control and manage those risks. The Audit & Risk Committee reviews the Risk Register, along with the plans and processes in place to manage and mitigate major risks, and then reports to Council. Council separately reviews the register on a periodic basis. In assessing the key risks identified below, the impacts of the COVID-19 pandemic and Brexit have been taken fully into account.

<b>Risk Description</b>	<b>Risk Consequence</b>	<b>Controls, Action, Mitigation</b>
Funders adopt Open Access policy mandates where publishers aren't adequately compensated resulting in erosion of income and an unsustainable future for learned society publishers.	Material reduction in Gift Aid receipts.	Business strategy in place to ensure a sustainable route to future net profits; close engagement with funders and pro Open Access libraries; strong policy advocacy work on Open Access.
The IOP is unable to achieve funding requirements to deliver its strategy and operational business.	The IOP would be unable to support its full strategy as there would be a potential funding shortfall.	Regular review of performance of funding pipeline against target and review of range of funders and suitability of income; fundraising programme in place focusing on individual giving, trusts and foundations, competitive contracts and legacies; new Income Diversification Strategy agreed; investments to be restructured to generate more income/growth from reserves; IOP Strategy review in progress.
Failure to implement or deliver return on investment from strategic initiatives.	IOPP may experience loss of market share of revenue and content with potential adverse profit impact.	Use of experienced delivery partners for technology investments; formal management and oversight of the strategy investment programme in place.
The IOP Group suffers liability or reputational damage from publications	Damage to reputation as a trusted voice and/or legal action resulting in reputational or financial loss.	Skilled staff with robust procedures; access to professional advice; shared intelligence to ensure integrity maintained; robust peer review; further preventative measures including new platforming partnership.

**Institute of Physics****Trustees' Annual Report and Financial Statements for the year ended 31 December 2022****Structure, Governance and Management (continued)****Risk management (continued)**

<b>Risk Description</b>	<b>Risk Consequence</b>	<b>Controls, Action, Mitigation</b>
There is a material IT security breach or critical IT system failure (inc. breach of digital systems).	Loss or corruption of data; unavailability of business critical applications; reputational damage; contractual breach; legal/regulatory fines; system restoration costs; productivity loss; unavailability of websites; use of IOP sites/servers for malicious purposes.	Firewall in place with anti-virus, anti-malware and spam filters; cloud back-ups; password policies and multi-factor authentication; segregated network for staff and public; regular service audits; business continuity arrangements; regular communication with staff; use of software as a service; robust patch protocols; regular cyber security audits; digital team strengthened; retained security consultants; and geofencing implemented.
The IOP is unable to attract/retain talented staff and to adequately manage succession planning for senior managers.	Loss of business knowledge and expertise; potential reputational damage; recruitment costs; lost productivity.	HR Team strengthened; devolved decision making to encourage talent development and retention; improved systems and processes to secure corporate knowledge; active monitoring of turnover; competitive reward and benefits package which is benchmarked; flexible working employment model adopted.
There is a negative, inappropriate or defamatory post on an IOP social media account by an employee, IOP member or member of the public.	Reputational damage; potential liability if defamatory; impact on staff loyalty.	All relevant staff trained on use of IOP social media accounts; only dedicated staff with access to IOP corporate social media accounts; monitoring of IOP mentions on social media; agreed weekly social media schedule with escalation process; and new social media policy to be launched.

**Internal Audit**

The IOP has an internal audit programme which assesses key controls and undertakes audits based on key risks and other ad-hoc matters where an audit is considered appropriate. To bolster its internal audit programme, in November 2022 the IOP appointed Crowe UK LLP for a three year term as its outsourced internal audit provider for the IOP Group.

**Our Commitment to Equality, Diversity and Inclusion****The IOP**

We believe firmly in equality of opportunity for all, confronting barriers to inclusion and participation wherever we encounter them. These core values are an expression of what we believe in and how we behave as an organisation. Our programmes are founded on the principles of Equality, Diversity and Inclusion (EDI), from our organisational values and strategy, to our work in schools, with the public and in our policy initiatives. From the Council and the senior leadership throughout the organisation, there is a deep-seated commitment to ensuring our physics community reflects the wider diversity we see in society and the significant value that brings to physics, the workplace and to society.

In 2022, the Inclusion and Diversity Committee was re-established. This is where we regularly review and evaluate how we implement our diversity initiatives. We have also introduced the Council's Member Reference Group which, whilst not solely diversity focused, will strengthen the voices of the membership to Council, providing challenge and support on a range of matters.

**Institute of Physics****Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

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**Structure, Governance and Management (continued)****Our Commitment to Equality, Diversity and Inclusion (continued)**

In our Annual Report last year, we shared that we had achieved Juno Practitioner – an award for our own gender equality scheme. We committed to becoming Juno Champion by the end of our strategy period and we have been working toward this with a whole organisation action plan. We are progressing well, and will continue to evaluate our progress and adjust accordingly.

This year, we undertook an external evaluation of our EDI practice through the Employer Network for Equality and Inclusion evaluation scheme, TIDE. We are delighted that we received a Bronze Award for our work, placing us third in our sector. We are in the process of aligning the action plan for improvement here with our Juno Champion ambition.

The IOP was amongst the first signatories of the Royal Academy of Engineering Diversity Concordat and the Science Council Declaration on Diversity, Equality and Inclusion and we continue to take a visible role in delivering on our commitments. We have delivered projects and publications that continue to lead the way in spreading good practice and making a significant contribution to the body of research available to the STEM community.

We recognise that we need to continue to work to remove barriers to participation in any of our activities and that we ensure the principles of EDI are embedded within them. We are in the process of co-creating a new Inclusion Model to replace Project Juno and broaden out from it, whilst maintaining our focus on gender equality. We are working with IOP members and the wider physics community to do this.

We build partnerships to work with colleagues, members, the wider physics community and, through our Limit Less campaign, with organisations in society to ensure that everything we deliver is truly inclusive.

You can find the document setting out the importance of EDI to physics on our website at [iop.org/about/IOP-diversity-inclusion/importance-of-equality-diversity-physics](https://iop.org/about/IOP-diversity-inclusion/importance-of-equality-diversity-physics).

You can find out more about the new Inclusion Model, which will replace Project Juno, on our website at [A new inclusion model for the physics community | Institute of Physics \(iop.org\)](#).

**IOPP**

Meanwhile, our goal at IOPP is to ensure that diversity, equity and inclusion (DE&I) are built into our identity in a way that is natural and sustainable, visible through the work we produce, our company branding, our professional networks and the communities we serve and support. As part of our commitment to promoting inclusion and diversity amongst IOPP colleagues, our DE&I steering group have established an action plan with supporting KPIs to keep us accountable and on track across the wider scientific community. Since 2021, the proportion of women being invited to review research papers published by IOPP has increased by 4% and invitations to reviewers from low- and middle-income countries has also increased by approximately 4%.

As part of our commitment to increasing global equity and inclusion in open access publishing we introduced an IOPP policy which saw researchers from countries with lower-middle income economies, as categorised by the World Bank, able to choose open access in any of IOPP's journals for a flat charge of £500. The policy builds on our existing approach that enables researchers from countries with low-income economies to publish open access for free in any of our fully open access or hybrid open access journals.

## Institute of Physics

### Trustees' Annual Report and Financial Statements for the year ended 31 December 2022

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## Structure, Governance and Management (continued)

### Our Commitment to Equality, Diversity and Inclusion (continued)

During 2022 our IOPP Diversity, Equity and Inclusion (DE&I) steering group put in place a vision, strategy and roadmap to keep the company accountable and on track. The role of this group is to discuss and advise on the company's DE&I agenda, identify challenges, develop suggested solutions, and feedback perspectives and recommendations.

### Environmental Responsibility

#### The IOP

The IOP recognises its environmental responsibilities and commitment to reducing environmental damage locally, nationally and globally. We are focused on four main areas of compliance: waste and energy reduction; personal responsibility; the role of physics to provide solutions; and meeting emission targets. Ultimately, we are seeking to reduce our carbon footprint from utilities and transport associated with our operations and events across the United Kingdom and Ireland to net zero.

We are also raising awareness of how activities and choices of individuals and other organisations carry an impact on the environment. We advise and support what they might consider doing to mitigate this impact. We want to lead the way and highlight what physics can do to help make buildings more efficient. Data captured on our own energy usage is shared through our education partners to help future planning and development in this field. We work with our stakeholder organisations to influence positive environmental change and support organisations which are proactively being sustainable.

#### IOPP

IOPP's sustainability taskforce drives all our sustainability activities. Made up of colleagues from all levels across the organisation, the taskforce advocates for sustainable practices and raising awareness amongst colleagues, suppliers and other stakeholders.

Throughout 2022, IOPP carried out a supply chain assessment, looking at which products and business activities are responsible for emitting the most greenhouse gases (GHG). Supported by [ClimatePartner](#), a leading solution provider for corporate climate action, we have been able to map our carbon emissions and set targets to reduce them.

Through our series of established environmental journals, IOPP publishes research that addresses some of the world's most critical issues and delivers solutions for sustainability development in line with the Sustainable Development Goal (SDG)s. Our [Sustainability Collection](#) brings all IOPP published SDG-related content together into a central place, with an intuitive search that filters by SDG and by year.

We have also been working with [DIMPACT](#), an industry-wide initiative that helps to bring into view emissions from the point of content production right through to the end user. The outcome of this work will help us to evolve our sustainability strategy.

The IOP's Environmental Statement can be found [here](#) or by visiting [www.iop.org/environmental-statement](http://www.iop.org/environmental-statement). Meanwhile, IOPP's Environmental Statement is here: [Environmental policy - IOP Publishing](#).

**Institute of Physics****Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

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**Structure, Governance and Management (continued)****Gender-Pay Gap Reporting**

The IOP does not have a statutory requirement to report on gender pay but, as part of its commitment to gender equality, it has undertaken the assessment. IOPP, meanwhile, continues to meet its statutory requirement to report on the matter.

**The IOP**

This is the fourth year we have made a voluntary declaration of our gender pay gap. As the voice of physics in the UK and Ireland, and a campaigner for girls and young people from underrepresented backgrounds to study physics, we have a responsibility to be open, transparent and committed to pay equality.

By making a voluntary declaration we set an example, hold ourselves to account and learn where we can do better. This year, our gender pay gap has increased, primarily due to a period of change at the IOP which saw some of our staff, including several women in more senior roles, transfer to provider organisations. Although we understand the main reasons for our pay gap increasing, we want to do better, and our ambition is to achieve gender pay parity. We have developed a plan to reduce our gender pay gap and we will continue to monitor and report on our progress.

We have also made other important progress. In 2021, we were awarded Juno Practitioner status, the inclusion award for and by the UK and Irish physics community, and we have implemented an action plan to ensure we continue this important progress. The plan is monitored by our internal Equality and Diversity Action Group (EDAG), chaired by the Deputy Chief Executive, and spans the entire organisation. This gives us an excellent opportunity to further embed EDI practices including gender parity as part of our core values and culture.

The average hourly rate in April 2022 was 18.1% lower for women based on mean hourly earnings and 9% lower based on median hourly earnings. The IOP mean gender pay gap has increased from 11.49% in 2021. Similarly, the median gender pay gap has increased from 1.41% in 2021.

The median pay gap for full-time employees in the UK is 8.3% (Office for National Statistics, 2022).

We are proud of the progress we have made towards an inclusive culture, and this has been supported by a move to a flexible working model which is available to all staff from the day they join us. Our staff survey shows that our people believe the organisation is run on strong values, that they are treated fairly and equally by their managers and that there is a strong alignment to the organisation's values. However, we recognise that our structure is relatively flat and this can make progression opportunities limited. The challenge we face, in common with other organisations, is how to retain diverse talent. We have made some progress, but we know we can do more to improve, particularly to support staff to progress from more junior grades to more senior grades and Executive level. We need to put in place a strategy that is transparent and into which all those who aspire to progress can see the opportunities. We will support this strategy by making better use of our networks to bring in fresh thinking and ideas and give our staff valuable networking opportunities.

It is also important that we recognise the value placed by current and future employees on sustainability. We have already made progress in this area and want to do more. We are currently working on a new transparent method of showing how we are responding to sustainability in the context of inclusion and diversity.

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

## Structure, Governance and Management (continued)

### Gender-Pay Gap Reporting – The IOP (Continued)

Our priority action areas for 2023 are outlined below. We will continue to update our employee offering by:

- formalising our talent management strategy to support the transparency and progression of staff more equitably through the organisation;
- increasing the diversity of the lower quartiles to help to decrease our gender pay gap. We will drive diversity in recruitment across all pay quartiles with an anonymised recruitment process, using an increasingly wide variety of advertising sources, gender and ethnicity neutral short lists for interview, gender balanced panels, as well as wider advertising of roles using neutral wording;
- building on the successful implementation of the way we work, through which we have empowered all staff to choose how and when to work, whilst meeting the needs of the business. We will measure and use the data to inform recruitment and retention strategies;
- ensuring a consistent data-driven approach to setting starting pay and pay progression through the introduction of the pay policy review, thereby reducing the likelihood of bias and disparities in pay; and
- continuing to monitor the numbers and demographics of applications for various roles across the organisation to identify if there are further useful measures available, particularly given the tight national recruitment markets.

#### Summary of IOP April 2022 results

IOP	Lower	Lower Middle	Upper Middle	Upper	Across all quartiles
<b>Female</b>					
Mean	£14.94	£19.78	£24.08	£35.75	£22.37
Median	£15.05	£19.73	£24.25	£33.76	£21.51
Number of staff	28	24	25	17	94
<b>Male</b>					
Mean	£16.00	£20.29	£24.13	£39.86	£27.32
Median	£15.96	£20.69	£23.96	£37.48	£23.64
Number of staff	10	15	14	21	60
<b>Gender Pay Gap</b>					
Mean	6.7%	2.5%	0.2%	10.3%	18.1%
Median	5.7%	4.6%	-1.2%	9.9%	9.0%
Percentage of female employees	73.7%	61.5%	64.1%	44.7%	61.0%
Percentage of male employees	26.3%	38.5%	35.9%	55.3%	39.0%

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

## Structure, Governance and Management (continued)

### Gender-Pay Gap Reporting (Continued)

#### IOPP

At IOPP we are proud to celebrate difference and want everyone to thrive and achieve their potential as this is a deeply held value for us. So, over the past year, we have focused on driving our inclusion plans, and we demonstrate and celebrate diverse minds, being actively inclusive and working together as one.

We are pleased we can use our gender pay gap report to showcase some of the progress we have made on our diversity and inclusion strategy in 2022. To create meaningful and systemic change we need to make sure we are actively listening and talking to each other to raise our own awareness. We need to be clear about what action we must take, and use good data to understand issues, identify actions and track progress. We must also ensure our leaders are leading inclusively, being allies and having conversations about diversity and inclusion.

We are seeing early signs of success with our strategy. We are proud of our engagement survey results in diversity and inclusion that continue to be ahead of industry norms, and our internal awareness-raising events are well attended and get positive feedback. Our mean pay gap has reduced by 0.8% to 11.6% and our median has reduced by 3.4% to 14.9%.

We have continued to attract and retain more women into our roles. However, we are clear on the focus needed to continue to appoint women into senior roles. During 2022, we have focused on inclusivity, creating the foundations for long-term success and bringing all our people with us and we will be launching our first employee resource group focusing on Women in IOPP. We are excited about our future and achieving our ambition to make IOPP a more diverse and inclusive organisation for everyone.

#### Summary of IOPP April 2022 results

IOP Publishing Limited	Lower	Lower Middle	Upper Middle	Upper	Across all quartiles
<b>Female</b>					
Mean	£12.02	£15.47	£19.75	£34.99	£19.14
Median	£12.19	£15.45	£19.70	£28.41	£16.41
Number of staff	57	53	49	36	195
<b>Male</b>					
Mean	£12.45	£15.00	£20.35	£32.60	£21.65
Median	£12.69	£14.68	£20.34	£29.55	£19.27
Number of staff	30	35	38	51	154
<b>Pay Gap</b>					
Mean	3.4%	-3.1%	2.9%	-7.3%	11.6%
Median	3.9%	-5.2%	3.1%	3.9%	14.9%
Percentage of female employees	65.5%	60.2%	56.3%	41.4%	55.9%
Percentage of male employees	34.5%	39.8%	43.7%	58.6%	44.1%

**Institute of Physics****Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

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**Structure, Governance and Management (continued)****Anti-Slavery and Human Trafficking**

The IOP Group is committed to prohibiting modern slavery and human trafficking in any part of our business, including in all supply chains. The IOP Group has a diverse supply chain, including suppliers of IT, print and editorial services, office equipment, catering services, building services, temporary recruitment services, and accommodation and venue facilities.

Our Anti-Slavery and Human Trafficking Policy reflects our commitment to acting ethically and with integrity in all business relationships. We also implement and enforce effective systems and controls to prohibit slavery and human trafficking in our supply chains and business.

To ensure that all companies in our supply chain comply with all obligations on anti-slavery and human trafficking, all relevant suppliers are issued with, and agree to comply with, our Anti-Slavery and Human Trafficking Policy, and/or appropriate obligations are included in contracts with them. Those obligations allow the IOP to secure assurances that those suppliers have appropriate measures in place in relation to their own business and supply chains and commit to complying with all relevant legislation and codes of practice.

To ensure awareness and understanding across the IOP, staff are required to complete an on-line training package on our approach to anti-slavery and human trafficking and in-person training is provided for staff working in potentially higher risk areas.

**Anti-Corruption and Bribery**

We support and have an on-going commitment to carrying out our business fairly, honestly and openly.

We maintain policies and procedures to prevent bribery and, in particular, have implemented a Group Anti-Corruption and Bribery Policy. We also have procedures and controls over expenditure, accounting, commercial activities and agent contracts to manage all forms of bribery and corruption risk.

As part of our zero-tolerance approach to bribery and corruption, we ensure that measures are in place so that staff and third parties understand what is and what is not permitted. As part of our induction programme, for example, we require new staff to complete a mandatory e-learning module on bribery and corruption to enhance awareness and help deter bribery. As part of our due diligence procedures when contracting with key suppliers, we require them to commit to comply with all applicable bribery legislation and, where relevant, we review their policies in this area.

We maintain whistleblowing procedures for staff to report any allegations of wrongdoing and provide an integrated range of routes through which staff may report concerns.

**Fundraising**

Section 162A of the Charities (Protection and Social Investment) Act 2016 requires charities of a certain size to make a statement regarding fundraising activities in their Annual Report. To show our commitment to fundraising in line with the Code of Fundraising Practice, the IOP is registered with the Fundraising Regulator.

Our fundraising activities support and further our charitable purpose. We raise funds from different streams including individuals (members and non-members of the IOP), trusts, foundations and corporations. We also have a legacy programme and seek gifts in wills.

**Institute of Physics****Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

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**Structure, Governance and Management (continued)****Fundraising (continued)**

Our fundraising activities are carried out by our in-house Development Team, whose work is overseen by the Business Development Group consisting of relevant Heads of Departments and the Executive Team. We take a risk-based approach and seek the Business Development Group's approval on every fundraising opportunity. We do not use professional fundraisers or commercial participators to fundraise on our behalf.

We take our responsibilities on managing personal information seriously and strive to ensure that our policies and procedures meet legal requirements and donors' expectations. When seeking donations from members, we only contact those who have opted in to receiving such communications. We also have safeguarding measures in place to help us protect young people and vulnerable adults.

We did not receive any complaints concerning our fundraising activities in the financial year.

**Statement of Trustees' Responsibilities**

Members of Council (who are the trustees of the IOP) 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 (GAAP)).

The law applicable to charities in England and Wales and in Scotland 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 the Group, and of the incoming resources and application of resources of the charity and the Group for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008 and the Charities Trust Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

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## **Financial Review**

### **Financial Statements**

The financial statements for the year ended 31 December 2022 are set out on pages 39 to 80. They were prepared applying accounting policies in accordance with UK GAAP, and comply with the Statement of Recommended Practice, Accounting and Reporting by Charities SORP (FRS 102).

### **The IOP Group**

Some 93% (2021: 94%) of the Group's incoming resources are generated from the activities of its trading subsidiary, IOP Publishing Limited (IOPP).

Total incoming resources in the year for the Group decreased by £3.9m to £74.9m (2021: £78.8m) which was driven mainly by a £3.6m decrease in income from scientific publications to £68.1m (2021: £71.7m) in relation to the activities of IOPP. Further commentary on the activities of IOPP is provided below. Income from other charitable activities saw a slight decrease to £4.5m (2021: £4.9m).

Total resources expended in the year for the Group remained consistent at £76.9m (2021: £76.9m). Total resources expended in the prior year included a provision of £7.4m in respect of the potential outcome of a Normal Retirement Age equalisation review of the defined benefit pension scheme. This is commented on further below.

Further details are included in the Consolidated Statement of Financial Activities on page 39. The IOP's balance sheet is included on page 41. The IOP considers incoming resources, Gift Aid remitted from its subsidiaries and expenditure to be key performance indicators.

The overall net asset position of the Group remains strong at £79.6m (2021: £83.7m). The key drivers for the movement in the net asset position are set out below.

The Group made significant investments in systems during 2022 in order to support the transition to open access in the publishing business. Details on these intangible fixed asset additions are given in note 14.

During 2022, the IOP exited its lease for the property in Bristol that was the trading address of its subsidiary IOPP. In February 2022, the IOP signed a lease for a new property in Bristol which is the new trading address of IOPP. The fit-out of this new property is reflected in the additions to tangible fixed assets, as shown in note 15.

Debtors have increased from £18.6m to £29.5m at 31 December 2022, primarily due to the increase in debtors within IOPP as a result of changes in the timing of invoicing and subsequent cash receipts from customers.

The Group cash position remains strong at £28.2m (2021: £37.6m), with the reduction on the prior year being linked to the increase in debtors in IOPP.

The value of the Group's short-term investments fell by £2.3m to £23.6m at 31 December 2022 (2021: £25.9m) as a direct result of the economic turmoil throughout 2022.

Deferred revenue remains a key balance and has increased by £7.2m to £24.9m (2021: £17.7m), driven by the new Transformative Agreements in IOPP which are commented on further below.

The IOP's defined benefit pension scheme was in a surplus position of £0.7m at 31 December 2022 (2021: £3.6m deficit position). During 2022, the assets of the scheme reduced by £37.5m (2021: increased by £5.7m) and the present value of the liabilities decreased by £41.8m (2021: decreased by £1.6m).

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

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## **Financial Review (continued)**

### **The IOP Group (continued)**

The significant reduction in the scheme's liabilities was primarily due to an increase in the discount rate which was driven by a material rise in the corporate bond yields and a decrease in inflation assumption over the period to 31 December 2022. This reduction in the scheme's liabilities was partially offset by the assets of the scheme achieving lower returns than expected in the same period.

During 2021, a provision of £7.4m was made to allow for uncertainty over the effective date of equalisation of the Normal Retirement Age of the scheme. A prudent approach was taken in 2021 and the provision was based on the effective date being 31 October 1997 and therefore the maximum expected liability of £7.4m was provided for. During 2022, further investigation into the effective date of the equalisation of the Normal Retirement Age of the scheme has been undertaken which has shown that the equalisation window does not need to extend as far back as was expected in 2021. An amount of £3.6m has been recognised as past service gain in the year ended 31 December 2022 which reflects the difference between the required provision as at 31 December 2022 based on the effective date of equalisation and the original provision of £7.4m as updated for the actuarial assumptions as at 31 December 2022. Further details are given in note 23 of the financial statements.

The trustees have concluded that the Group is a going concern and these financial statements have therefore been prepared on that basis. The performance of the Group in 2022 and the positive net asset position at the end of 2022 support the trustees' conclusion.

### **The IOP**

In 2022 78% of the IOP's income was generated from Gift Aid from its publishing subsidiaries (2021: 78%). Other sources of income include income from members either as membership fees or for additional services and grants from government and other grant-awarding bodies.

Total resources expended have decreased in the year from £26.4m to £18.3m which is primarily due to the fact that the 2021 total resources expended included a provision of £7.4m in respect of the potential outcome of a Normal Retirement Age equalisation review of the defined benefit pension scheme, as referenced above.

### **IOPP**

IOPP is committed to making scientific research accessible to as many people as possible who might benefit from it and throughout 2022 the company focused on putting in place Transformative Agreements as a means to accelerate the transition to open access. Transformative Agreements make open access publication by authors in participating institutions as simple as possible because the fees are covered by the institution and the authors can therefore publish their research at no cost to them. By the end of 2022, IOPP had Transformative Agreements in place with over 500 institutions in 23 countries.

As set out further in the accounting policies, certain estimates are required in relation to the recognition of revenue from these Transformative Agreements and a proportion of revenue from the Transformative Agreements that were entered into during 2022 has been deferred at the year end. The required deferral of revenue from these Transformative Agreements has contributed to the decrease in the turnover of IOPP in 2022 to £70.3m (2021: £73.9m). However, the impact of this revenue deferral has been partially offset by the foreign exchange gain on the company's revenue that is denominated in USD following the fluctuation in the USD exchange rate throughout the course of 2022.

**Institute of Physics****Trustees' Annual Report and Financial Statements for the year ended 31 December 2022****Financial Review (continued)****IOPP (continued)**

IOPP's gross profit margin has remained consistent with the prior year at 91.4% (2021: 91.2%). However the net profit margin has reduced from 28.3% in the year ended 31 December 2021 to 14.6% in the year ended 31 December 2022. A key driver for this is the required deferral of revenue from the Transformative Agreements as at 31 December 2022, as referred to above. In addition, the ongoing turmoil in the global markets and the related supply chain issues and inflation have resulted in increased costs throughout the business which have also directly impacted on margins.

During 2022, the IOPP also made significant investments in systems in order to support the transition to open access and to improve our agility and flexibility in the face of changing market and business models.

IOPP pays all of its taxable profits for the reporting year to its parent charity, the IOP, under the gift aid scheme. During the year, the company paid £20.7m (2021: £20.2m) of gift aid to the IOP.

**Reserves and investment**

The Charter and Bylaws confer power on the IOP to maintain income reserves. Council reviews at least annually both the IOP's continuing need for reserves and their appropriate level. The reserves policy set out below is based on, and is consistent with, guidelines on the subject issued by the Charity Commission. The strategic reasons for the IOP to retain reserves, rather than simply spend all of its income as it arises, are, as stated in its Investment Policy:

- to be able to make short- and medium-term expenditure commitments without the risk of short-term fluctuations in income forcing reduction in, or cancellation of, planned activity;
- to reduce the level of dependence on income from publishing; and
- in the event of a material and sustained fall in income from other sources, to provide sufficient reserves to enable the IOP to make the changes in its organisation and activities necessary to respond to this in an orderly and planned way.

The overall investment objectives of the IOP are to achieve a minimum net total return of 12-month LIBOR (London Interbank Offered Rate) +3.5%, after payment of fees over rolling three-year periods, using a diversified strategic asset allocation approach to minimise the risk for this level of return.

During the year the investment portfolio held by the IOP generated an unrealised loss to the Group of £2.5m (2021: £2.9m unrealised gain). The IOP actively manages its investment portfolio.

After a review in 2019, Council agreed that there should not be one single aggregate level of appropriate reserves that should be held by the IOP, rather the reserves of the IOP should be segregated into separate categories where the amount of reserves held in each category should be calculated as an appropriate amount to address the balance of risks and opportunities facing the IOP in those categories.

The agreed categories are the: operational reserve (free reserves); property reserve (specific reserve); and pension fund reserve (specific reserve). In defining this reserves policy, consideration has been given to the level of free reserves it is appropriate to hold in order to demonstrate appropriate financial management and sustainability.

The operational reserve will allow for short- and medium-term expenditure commitments without the risk of short term fluctuations in income forcing reductions in, or cancellation of, planned activity. It will also help fund strategic and business plan activities.

**Institute of Physics****Trustees' Annual Report and Financial Statements for the year ended 31 December 2022****Financial Review (continued)****Reserves and investment (continued)**

The property reserve will have £0.25m invested per annum until the end of the current strategy for the development and maintenance of the IOP's property assets, whether freehold or leasehold. The pension reserve will have £1m invested per annum over the same period. This is in addition to the special annual contribution already made from the IOP to the defined benefit pension scheme, which is accounted for through the Statement of Financial Activities.

The required level of reserves at 31 December 2022 based on the current long-term plan, as modified by the 2023 budget, is between approximately £20.7m-£30.4m (2021: £15.3m-£23.6m). The current level of free reserves as represented by the IOP's investments is £23.6m (£20.9m unrestricted, £2.7m restricted) (2021: £25.9m (£22.9m unrestricted, £3.0m restricted)), which is deemed appropriate given the IOP's commitments over the following 12 months.

The balances on the individual funds of the IOP at 31 December 2022 are considered adequate to meet their respective commitments.

**Ethical investment policy**

The IOP is a charity established with the objective of promoting the advancement and dissemination of a knowledge of and education in the science of physics, pure and applied.

The trustees would not want the investment decisions of the IOP to result in activities that compromise this objective. In the event that the trustees consider that any particular classes of investment choices conflict with this objective, they will provide a written list of such classes, or specific investments, to the investment managers and will require them to take such steps as are practicable and cost-effective so as not to invest in these areas.

**Auditors**

All of the current trustees have taken all of the steps necessary to make themselves aware of any information needed by the charity's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The trustees are not aware of any relevant audit information of which the auditors are unaware.

**By order of Council**

DocuSigned by:  
*Alison McMillan*  
325815FD488B429...

Professor Alison McMillan CEng CPhys FInstP  
FIMechE FHEA

Honorary Secretary

Date: 22 June 2023

DocuSigned by:  
*David Delpy*  
802AC384C636456...

Professor David Delpy CBE FRS FREng CPhys  
FInstP FMedSci

Honorary Treasurer

Date: 22 June 2023

**Institute of Physics****Independent auditors' report to the trustees of the Institute of Physics**

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**Independent Auditors' Report to the Trustees of the Institute of Physics****Report on the audit of the financial statements****Opinion**

In our opinion, the Institute of Physics' Group financial statements and parent charity financial statements (the financial statements''):

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31 December 2022 and of the Group's and parent charity's incoming resources and application of resources, and of the Group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008.

We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the Group and parent charity balance sheets as at 31 December 2022; the consolidated statement of financial activities incorporating a consolidated income and expenditure account for the year ended 31 December 2022 and charity statement of financial activities incorporating an income and expenditure account for the year ended 31 December 2022; the consolidated statement of cash flows for the year then ended; and the notes to the financial statements for the year ended 31 December 2022, which include a description of the significant accounting policies.

**Basis for opinion**

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

**Independence**

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**Conclusions relating to going concern**

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and parent charity's ability to continue as a going concern.

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

**Institute of Physics**  
**Independent auditors' report to the trustees of the Institute of Physics**

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**Independent Auditors' Report to the Trustees of the Institute of Physics (continued)**

**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Based on our work undertaken in the course of the audit, the Charities Act 2011 requires us also to report certain opinions and matters as described below.

**Trustees Report**

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

**Responsibilities for the financial statements and the audit**

**Responsibilities of the Trustees for the financial statements**

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

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

**Auditors' responsibilities for the audit of the financial statements**

We are eligible to act and have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

**Institute of Physics****Independent auditors' report to the trustees of the Institute of Physics****Independent Auditors' Report to the Trustees of the Institute of Physics (continued)****Auditors' responsibilities for the audit of the financial statements (continued)**

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 Group and parent charity/industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011 and relevant regulations made or having an effect thereunder, including The Charities (Accounts and Reports) Regulations 2008. We evaluated the incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) by the trustees and those responsible for, or involved in, the preparation of the financial statements, and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, and applying management bias in accounting estimates. Audit procedures performed included:

- Discussions with management and the trustees, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes including those of the Council and of the subsidiaries;
- Evaluation of management's controls designed to prevent and detect irregularities, in particular the whistleblowing policy and employee code of conduct;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the valuation of partner accruals and the valuation of defined benefit pension liabilities; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

**Use of this report**

This report, including the opinions, has been prepared for and only for the charity's trustees as a body in accordance with section 151 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Institute of Physics**

**Independent auditors' report to the trustees of the Institute of Physics**

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**Independent Auditors' Report to the Trustees of the Institute of Physics (continued)**

**Other required Reporting**

**Charities Act 2011 exception reporting**

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol

Date: 22 June 2023

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Consolidated Statement of Financial Activities incorporating a consolidated  
income and expenditure account for the year ended 31 December 2022**

	Note	2022 Restricted £'000	2022 Unrestricted £'000	2022 Total £'000	2021 Total £'000
<b>Income from:</b>	<b>3</b>				
Donations and legacies		-	138	138	5
Charitable activities:					
Membership		-	1,684	1,684	1,635
Programmes		351	2,458	2,809	3,240
Scientific Publications		-	68,075	68,075	71,730
Other trading activities		-	1,725	1,725	1,954
Investments	6	28	423	451	231
Other		-	1	1	-
<b>Total income</b>	<b>3 &amp; 5</b>	<b>379</b>	<b>74,504</b>	<b>74,883</b>	<b>78,795</b>
<b>Expenditure on:</b>	<b>4</b>				
Raising funds		-	(79)	(79)	(81)
Charitable activities:					
Scientific Publications	7	-	(58,821)	(58,821)	(50,854)
Ecosystem	7	(279)	(4,563)	(4,842)	(4,751)
Productivity	7	-	(575)	(575)	(405)
Campaign	7	-	(509)	(509)	(645)
Public Dialogue	7	-	(247)	(247)	(381)
Transformation	7	-	(494)	(494)	(571)
Membership	7	-	(2,089)	(2,089)	(901)
Business operations	7	(218)	(7,640)	(7,858)	(9,837)
Other		-	(1,341)	(1,341)	(8,523)
<b>Total expenditure</b>	<b>4 &amp; 7</b>	<b>(497)</b>	<b>(76,358)</b>	<b>(76,855)</b>	<b>(76,949)</b>
Net (losses) / gains on investments	17	(311)	(2,162)	(2,473)	2,942
<b>Net (expense) / income</b>		<b>(429)</b>	<b>(4,016)</b>	<b>(4,445)</b>	<b>4,788</b>
<b>Other recognised (losses) / gains</b>					
Actuarial (losses) / gains on defined benefit pension scheme	23	-	(215)	(215)	11,782
Exchange difference on retranslation of net assets of subsidiary undertakings		-	610	610	-
<b>Net movement in funds</b>		<b>(429)</b>	<b>(3,621)</b>	<b>(4,050)</b>	<b>16,570</b>
Fund balances brought forward		3,541	80,139	83,680	67,110
<b>Fund balances carried forward</b>	<b>22</b>	<b>3,112</b>	<b>76,518</b>	<b>79,630</b>	<b>83,680</b>

The Statement of Financial Activities includes all gains and losses recognised in the year. All amounts relate to continuing activities.

The notes on pages 43 to 80 form part of these financial statements.

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Charity Statement of Financial Activities incorporating an income and expenditure account for the year ended 31 December 2022**

	<b>Note</b>	<b>2022</b> Restricted £'000	<b>2022</b> Unrestricted £'000	<b>2022</b> <b>Total</b> <b>£'000</b>	<b>2021</b> <b>Total</b> <b>£'000</b>
<b>Income from:</b>					
Donations and legacies	<b>3</b>	-	138	<b>138</b>	5
Charitable activities:					
Membership		-	1,684	<b>1,684</b>	1,635
Programmes		351	2,458	<b>2,809</b>	3,240
Scientific Publications		-	21,291	<b>21,291</b>	22,193
Investments		28	1,497	<b>1,525</b>	1,221
Other		-	1	<b>1</b>	-
<b>Total income</b>		<b>379</b>	<b>27,069</b>	<b>27,448</b>	28,294
<b>Expenditure on:</b>					
Raising funds		-	(79)	<b>(79)</b>	(81)
Charitable activities:					
Ecosystem		(279)	(4,619)	<b>(4,898)</b>	(4,808)
Productivity		-	(575)	<b>(575)</b>	(405)
Campaign		-	(509)	<b>(509)</b>	(645)
Public Dialogue		-	(247)	<b>(247)</b>	(381)
Transformation		-	(494)	<b>(494)</b>	(571)
Membership		-	(2,339)	<b>(2,339)</b>	(1,151)
Business operations		(218)	(7,640)	<b>(7,858)</b>	(9,837)
Other		-	(1,341)	<b>(1,341)</b>	(8,523)
<b>Total expenditure</b>		<b>(497)</b>	<b>(17,843)</b>	<b>(18,340)</b>	(26,402)
Net (losses) / gains on investments	<b>17</b>	(311)	(2,162)	<b>(2,473)</b>	2,942
<b>Net (expense) / income</b>		<b>(429)</b>	<b>7,064</b>	<b>6,635</b>	4,834
<b>Other recognised (losses) / gains</b>					
Actuarial (losses) / gains on defined benefit pension scheme	<b>23</b>	-	(215)	<b>(215)</b>	11,782
<b>Net movement in funds</b>		<b>(429)</b>	<b>6,849</b>	<b>6,420</b>	16,616
Fund balances brought forward		3,541	61,269	<b>64,810</b>	48,194
<b>Fund balances carried forward</b>	<b>22</b>	<b>3,112</b>	<b>68,118</b>	<b>71,230</b>	64,810

The Statement of Financial Activities includes all gains and losses recognised in the year. All amounts relate to continuing activities. The notes on pages 43 to 80 form part of these financial statements.

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Group and Parent Charity Balance Sheets as at 31 December 2022**

	Note	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
<b>Fixed assets</b>					
Intangible assets	14	7,546	3,576	96	-
Tangible assets	15	34,501	33,948	33,245	33,381
Investments in subsidiary undertakings	16	-	-	3,001	3,001
Investments	17	23,642	25,895	23,642	25,895
		<u>65,689</u>	<u>63,419</u>	<u>59,984</u>	<u>62,277</u>
<b>Current assets</b>					
Debtors	18	29,504	18,622	1,965	1,953
Cash at bank and in hand		28,214	37,642	11,774	7,001
		<u>57,718</u>	<u>56,264</u>	<u>13,739</u>	<u>8,954</u>
<b>Creditors: amounts falling due within one year</b>	19	<u>(43,701)</u>	<u>(31,563)</u>	<u>(2,417)</u>	<u>(1,981)</u>
<b>Net current assets / (liabilities)</b>		<b>14,017</b>	<b>24,701</b>	<b>11,322</b>	<b>6,973</b>
<b>Provisions for liabilities</b>	21	<b>(772)</b>	<b>(806)</b>	<b>(772)</b>	<b>(806)</b>
<b>Defined Benefit Pension scheme surplus / (deficit)</b>	23	<b>696</b>	<b>(3,634)</b>	<b>696</b>	<b>(3,634)</b>
<b>Net Assets</b>		<u><b>79,630</b></u>	<u><b>83,680</b></u>	<u><b>71,230</b></u>	<u><b>64,810</b></u>
<b>Restricted funds</b>					
Restricted funds	22	3,112	3,541	3,112	3,541
<b>Unrestricted funds</b>					
General fund	22	75,822	83,773	67,422	64,903
Pension reserve	23	696	(3,634)	696	(3,634)
Total unrestricted funds		<u>76,518</u>	<u>80,139</u>	<u>68,118</u>	<u>61,269</u>
<b>Total charity funds</b>		<u><b>79,630</b></u>	<u><b>83,680</b></u>	<u><b>71,230</b></u>	<u><b>64,810</b></u>

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

22 June 2023

and were

DocuSigned by:

Sheila Rowan

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22 June 2023

Professor Sheila Rowan

CBE FRS FRSE HonFInstP

President

The notes on pages 43 to 80 form part of these financial statements.

DocuSigned by:

David Delpy

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22 June 2023

Professor David Delpy

CBE FRS FREng CPhys FInstP FMedSci

Honorary Treasurer

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Consolidated Statement of Cash Flows for the year ended 31 December 2022**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
<b>Cash flows from operating activities</b>		
<b>Net (expense) / income for the year</b>	<b>(4,445)</b>	4,788
Adjustments for:		
Depreciation and amortisation of fixed assets and intangible assets	3,492	2,862
Loss on disposal of fixed assets	313	1
Loss / (Gains) on investments	2,473	(2,942)
Dividend income from fixed and current investments	(451)	(231)
Difference between net pension expense and cash contribution	(4,545)	4,533
Increase in trade and other debtors	(10,882)	(2,045)
Increase in trade and other creditors	12,138	3,416
Decrease in provisions	(34)	-
<b>Net cash (used in) / provided by operating activities</b>	<b>(1,941)</b>	10,382
<b>Cash flows from investing activities</b>		
Purchases of fixed assets and intangible assets	(8,328)	(1,608)
Dividends received on fixed and current asset investments	231	231
Purchase of investments	-	(2,926)
Sale of investments	-	2,926
<b>Net cash used in investing activities</b>	<b>(8,097)</b>	(1,377)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(10,038)</b>	9,005
Cash and cash equivalents at beginning of year	37,642	28,637
Foreign exchange gains	610	-
<b>Cash and cash equivalents at end of year</b>	<b>28,214</b>	37,642
<b>Cash and cash equivalents comprise:</b>		
Cash at bank and in hand	<b>28,214</b>	37,642

The notes on pages 43 to 80 form part of these financial statements.

**Institute of Physics****Trustees' Annual Report and Financial Statements for the year ended 31 December 2022****Notes forming part of the financial statements for the year ended 31 December 2022****1 Accounting policies**

The Institute of Physics (IOP) is a corporate body governed by a Royal Charter, which is supplemented by bylaws and regulations. It was established in its current form by Royal Charter dated 30 September 1970.

The IOP is a charity registered in both England & Wales (no. 293851) and in Scotland (no. SC040092). The IOP has also applied for registration as a charity in the Republic of Ireland. The members of Council are the trustees of the Charity. The IOP's registered office is 37 Caledonian Road, London N1 9BU.

The Institute of Physics is a Public Benefit Entity under FRS 102. The financial statements have been prepared in accordance with applicable charity law and in accordance with FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102"), and with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102 (effective 1 January 2015) ("Charities SORP FRS 102"), and in accordance with the requirements of the Charities Act 2011 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008.

The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain investments and financial instruments as specified in the accounting policies below.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the Group's management to exercise judgement in applying the Group's accounting policies (see note 2).

*Going Concern*

Trustees continue to monitor the principal markets in which it operates and they have prepared forecasts and projections for the charity. These projections demonstrate the charity's ability to meet its obligations as they fall due. The Trustees therefore consider it appropriate to prepare the financial statements on a going concern basis.

*Parent entity disclosure exemption*

In preparing the individual financial statements of the Institute of Physics advantage has been taken of the following disclosure exemption available in FRS 102:

- No cash flow statement has been prepared for the parent charity; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent charity because their remuneration is included in the totals for the Group as a whole.

*Basis of consolidation*

The consolidated financial statements incorporate the results of the Institute of Physics and all its subsidiary undertakings as at 31 December 2022 using the acquisition method of accounting. Under this method, the results of subsidiary undertakings acquired or disposed of during the year are included in the consolidated Statement of Financial Activities from the effective date of acquisition or up to the effective date of disposal. All intra-Group transactions, balances, income and expenses are eliminated in full on consolidation.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets and liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated Statement of Financial Activities from the date on which control is gained.

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

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**Notes forming part of the financial statements (continued)**

**1 Accounting policies (continued)**

*Business combinations*

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree plus costs directly attributable to the business combination. Any excess of the cost of the business combination over the fair value of the identifiable assets and liabilities is recognised as goodwill.

*Analysis of income and expenditure*

2022 is the third year of the IOP's strategy "Unlocking the Future". The analysis of income and expenditure by fund reflects the programmes of this strategy, including membership and business operations (business as usual activities) and those of the IOP's publishing subsidiaries (scientific publications).

In 2022, the expenditure previously classified under the heading of "Challenge Fund" within charitable activities was reallocated under the heading "Ecosystem" as this more closely aligned with the activities within the project. The amounts reclassified were £92k in 2022 and £242k in 2021. Periods prior to those presented have been considered but there was no impact on the figures before 2021.

*Income*

Membership income is recognised when received and attributed to the financial years to which it relates. Sundry income is recognised when received. Income from production of in-house and external partner journals with a majority of the income received in advance is recognised in line with the fair value of content delivered. Other income streams include fees received for publishing articles, ebooks and advertising recognised upon publication, sales of access to historic archives recognised upon invoice, when permanent access is granted and contract management fees recognised on invoice.

*Gift aid income*

The Institute of Physics receives payments from its subsidiaries under the gift aid scheme. Gift aid income is recognised in the charity's Statement of Financial Activities when the subsidiary has made an irrecoverable commitment to pay the taxable profits to the charity. The charity previously had a gift aid covenant in place with IOP Publishing Limited (IOPP). At the reporting date there was no legal obligation in place for IOPP to make this payment. The payment is, however, expected to be made within nine months of the end of the reporting date.

*Government grants receivable*

Grants are accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Financial Activities in the same period as the related expenditure.

*Resources expended*

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the relevant category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include general management, payroll administration, information technology, human resources, financing and governance costs. These costs are allocated across the expenditure on charitable activities. The basis of the cost allocation has been explained in note 8 to the financial statements.

**Institute of Physics****Trustees' Annual Report and Financial Statements for the year ended 31 December 2022****Notes forming part of the financial statements (continued)****1 Accounting policies (continued)***Intangible fixed assets – goodwill*

Goodwill represents the excess of the cost of a business combination over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in Intangible assets. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life as follows:

Goodwill on acquisition of subsidiaries	5 years
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*Intangible fixed assets – trademarks and software*

Journal and magazine titles acquired are capitalised and amortised over their estimated useful economic lives. The useful life of trademarks is 5 years.

Other intangible assets, including internally generated software assets, are stated at cost and are amortised over useful lives not exceeding 10 years. The amortisation period has been determined based on prior experience of the length of time that intangibles usually retain their value. Where factors such as technological advancement or changes in market price indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

*Tangible fixed assets*

Tangible fixed assets are stated at cost or valuation, net of accumulated depreciation and any provision for impairment.

Assets with a value of less than £500 are not capitalised.

*Depreciation*

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold property	45 years
Office equipment & machinery	3-4 years
Fixtures and fittings	10 years

The value of leasehold property is amortised over the remaining periods of the relevant leases.

Within note 15, Office equipment & machinery and Fixtures & fittings are included within one category of assets titled "Fixtures and equipment".

*Valuation of investments*

Investments in subsidiaries are measured at cost less accumulated impairment in the individual charity financial statements.

Other investments in listed company shares are included in the balance sheet at the market value of the individual unitised holdings. Gains and losses are recognised in profit or loss, within 'Net income/expenditure' in the Statement of Financial Activities.

*Debtors*

Trade and other debtors are recognised at transaction price, less any impairment. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Institute of Physics****Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

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**Notes forming part of the financial statements (continued)****1 Accounting policies (continued)***Liquid resources*

For the purposes of the cash flow statement, liquid resources are defined as current asset investments, which is cash held in short term deposit accounts for investment purposes. These are not considered to be cash because they are not accessible penalty free within one working day.

*Cash*

Cash includes cash in hand and deposits repayable on demand with any qualifying institution less overdrafts from any qualifying financial institution repayable on demand. Deposits are repayable on demand if they can be withdrawn at any time without notice and without penalty, or if a maturity or period of notice of not more than 24 hours or one working day has been agreed. Cash includes deposits denominated in foreign currencies.

*Creditors*

Short term trade creditors are measured at the transaction price. Other financial liabilities are measured initially at amortised cost and subsequently at amortised cost less impairment.

*Provisions*

Provisions are recognised when the Group has a present obligation, legal or constructive, as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The Group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use in the following financial year. The provision is measured at the undiscounted salary cost payable for the period of absence that has been accrued.

The Group recognises a provision for the expected value of dilapidations for costs relating to the exit of leasehold premises. The amount payable will be agreed through future negotiation at such point that an exit occurs.

*Financial instruments*

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in an asset of the company after deducting all of its liabilities. Financial instruments are measured at amortised cost or fair value depending on the nature of the underlying arrangement.

*Derivative financial instruments*

Derivative financial instruments are recognised at fair value with any gains or losses being recognised in profit or loss, within 'Net income/expenditure' in the Statement of Financial Activities.

*Fund accounting*

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors.

**Institute of Physics****Trustees' Annual Report and Financial Statements for the year ended 31 December 2022****Notes forming part of the financial statements (continued)****1 Accounting policies (continued)***Pension costs – Institute of Physics Retirement Benefits Plan 1975*

The IOP operates the Institute of Physics Retirement Benefits Plan 1975 providing pension benefits based on final pensionable pay. This scheme was closed to new members on 31 December 2001. The assets of the scheme are held separately from those of the Group in an independently administered fund. This defined benefit scheme is accounted for in accordance with FRS 102. The service cost of pension provision relating to the year, together with the cost of any benefits relating to past service if the benefits have vested, is charged to the Statement of Financial Activities. A charge equal to the increase in the present value of the scheme liabilities (because the benefits are closer to settlement) and a credit equivalent to the Group's long term expected return on assets (based on the market value of the scheme assets at the start of the year), are also included in the Statement of Financial Activities.

The difference between the market value of the assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet. Any differences between the actual and expected return on assets during the year are recognised in the Statement of Financial Activities along with differences arising from experience or assumption changes.

The defined benefit pension expense recognised in the Statement of Financial Activities is allocated to expenditure on charitable activities in proportion with the expenditure on these activities. The defined benefit pension expense is recognised in unrestricted funds.

*Pension costs – Institute of Physics Group Personal Pension Schemes*

The Group operates two Group personal pension schemes. They are both defined contribution pension schemes with assets held in the names of the individual members.

The first was established from 1 January 2002 and is managed by Aviva. This scheme closed to new members on 31 January 2014. For those members of staff who are members of this scheme, the IOP contributes up to 18% of basic salary.

The second was established from 1 February 2014 and is managed by Aviva. For those members of staff who choose to join the scheme the IOP contributes up to 12% of basic salary.

Contributions to the Group's defined contribution pension schemes are charged to the Statement of Financial Activities in the year in which they become payable.

*Foreign currencies**Functional currency and presentation currency*

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Sterling, which is the charity's and the Group's presentation currency.

*Transactions and balances*

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entity are recognised at the spot rate at the dates of the transactions or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange differences that arise are recognised in profit or loss, within 'Net income/expenditure' in the Statement of Financial Activities.

**Institute of Physics****Trustees' Annual Report and Financial Statements for the year ended 31 December 2022****Notes forming part of the financial statements (continued)****1 Accounting policies (continued)***Translation of Group companies*

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated from their functional currency to Sterling using the exchange rate ruling on the balance sheet date. Income and expenses are translated using an average rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on translation of Group companies are recognised within 'Other recognised gains/losses' in the Statement of Financial Activities.

*Operating leases*

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the terms of the leases.

Rental income receivable under operating leases with a third party is recognised in the Statement of Financial Activities on a straight-line basis over the terms of the leases.

The Group has taken advantage of the transitional relief available for lease incentives, such that where a lease commenced before the date of transition to FRS 102, the remaining benefit of the lease incentive may continue to be recognised in accordance with previous UK GAAP.

**2 Significant judgements and estimates**

Preparation of the financial statements requires the Executive Board and Senior Management Team to make significant judgements and estimates.

**Significant estimates**

The items in the financial statements where significant estimates have been made include:

*Revenue recognition*

Income from production of in-house and external partner journals with a majority of the income received in advance is recognised in line with the fair value of content delivered. Where contracts with customers span multiple years, judgement is required to identify the component parts of the contract and an estimate is required in the recognition of the associated revenue in each applicable accounting period.

Where sales contracts with customers contain multiple components and may also span multiple years, for example Transformative Agreements, judgement is required to identify the component parts of the contract and an estimate is required in the recognition of the associated revenue in each applicable accounting period. The estimate of revenue to be recognised in each applicable year in relation to a Transformative Agreement is based on the relative fair value of the component parts of the agreement. The determination of the relative fair value is based on the fair value of the individual component parts with any discount applied on a proportionate basis.

*Defined benefit pension scheme valuation*

Valuation of the assets and liabilities of the Group defined benefit pension scheme are performed by a professional actuary. This requires estimates to be made around the range of assumptions used and the value used for each assumption.

*Partner accruals*

Indirect costs of IOPP are allocated to partners in the calculation of partner payments. The method of allocating these indirect costs will vary by partner, depending on the nature of the agreement with each individual partner, and estimates are required in these allocations.

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

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**Notes forming part of the financial statements (continued)**

**2 Significant judgements and estimates (continued)**

*Dilapidations*

A provision is included for the value of dilapidations for costs relating to the exit of leasehold premises. An estimate is required to determine this value. The amount payable will be agreed through future negotiation at such point that an exit occurs.

**Significant judgements**

The items in the financial statements where significant judgements have been made are:

*Partner agreements*

When agreements are entered into with partners, judgement is required as to whether the company is acting as the agent or the principal in the arrangement and therefore how revenue should be recognised. The following factors are taken into consideration when making this judgement: which party to the agreement establishes the sales prices; which party bears the credit risk on the sale; and which party is responsible for providing the goods or services to the customer. The contractual terms set out in the agreement and the substance of the arrangement are also taken into consideration.

*Leases*

The key judgement is whether leases entered into by the company are operating or finance leases. The conclusion depends on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Notes forming part of the financial statements (continued)**

**3 Income: analysis by fund**

		<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>
	<b>Note</b>	Restricted	Unrestricted	<b>Total</b>	Restricted	Unrestricted	<b>Total</b>
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Income from:</b>							
Donations and legacies		-	138	<b>138</b>	-	5	<b>5</b>
Charitable activities:							
Membership		-	1,684	<b>1,684</b>	-	1,635	<b>1,635</b>
Programmes		351	2,458	<b>2,809</b>	299	2,941	<b>3,240</b>
Scientific Publications		-	68,075	<b>68,075</b>	-	71,730	<b>71,730</b>
Other trading activities		-	1,725	<b>1,725</b>	-	1,954	<b>1,954</b>
Investments	<b>6</b>	28	423	<b>451</b>	-	231	<b>231</b>
Other		-	1	<b>1</b>	-	-	<b>-</b>
<b>Total income</b>	<b>5</b>	<b>379</b>	<b>74,504</b>	<b>74,883</b>	<b>299</b>	<b>78,496</b>	<b>78,795</b>

**4 Expenditure: analysis by fund**

		<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>
	<b>Note</b>	Restricted	Unrestricted	<b>Total</b>	Restricted	Unrestricted	<b>Total</b>
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Expenditure on:</b>							
Raising funds		-	79	<b>79</b>	-	81	<b>81</b>
Charitable activities:							
Scientific Publications	<b>7</b>	-	58,821	<b>58,821</b>	-	50,854	<b>50,854</b>
Ecosystem	<b>7</b>	279	4,563	<b>4,842</b>	291	4,460	<b>4,751</b>
Productivity	<b>7</b>	-	575	<b>575</b>	-	405	<b>405</b>
Campaign	<b>7</b>	-	509	<b>509</b>	-	645	<b>645</b>
Public Dialogue	<b>7</b>	-	247	<b>247</b>	-	381	<b>381</b>
Transformation	<b>7</b>	-	494	<b>494</b>	-	571	<b>571</b>
Membership	<b>7</b>	-	2,089	<b>2,089</b>	-	901	<b>901</b>
Business operations	<b>7</b>	218	7,640	<b>7,858</b>	78	9,759	<b>9,837</b>
Other		-	1,341	<b>1,341</b>	-	8,523	<b>8,523</b>
<b>Total expenditure</b>		<b>497</b>	<b>76,358</b>	<b>76,855</b>	<b>369</b>	<b>76,580</b>	<b>76,949</b>

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Notes forming part of the financial statements (continued)**

**5 Analysis of incoming resources**

By geographical market	2022 £'000	2021 £'000
Europe, Middle East and Africa	25,857	27,433
The Americas	28,758	30,529
Asia Pacific	20,268	20,833
<b>Total</b>	<b>74,883</b>	<b>78,795</b>

By class of business	2022 £'000	2021 £'000
Publishing operations	69,799	73,684
Charitable activities	2,809	3,240
Membership income	1,684	1,635
Other	591	236
<b>Total</b>	<b>74,883</b>	<b>78,795</b>

**6 Investment income**

	2022 £'000	2021 £'000
Dividends and interest from listed investments	451	231
<b>Total</b>	<b>451</b>	<b>231</b>

Group investment income is lower than the Charity's investment income by £1,074k due to the elimination of intercompany rent recharged in respect of Temple Circus and The Distillery.

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Notes forming part of the financial statements (continued)**

**7 Analysis of expenditure**

**7a Analysis of expenditure by type**

	2022	2022	2022	2022	2021
	Activities undertaken directly	Grant funding activities	Support costs	Total	Total
	£'000	£'000	£'000	£'000	£'000
Raising funds	-	-	79	79	81
Charitable activities:					
Scientific Publications	58,821	-	-	58,821	50,854
Ecosystem	1,937	149	2,756	4,842	4,751
Productivity	252	-	323	575	405
Campaign	222	-	287	509	645
Public Dialogue	108	-	139	247	381
Transformation	215	-	279	494	571
Membership	770	-	1,319	2,089	901
Business operations	469	-	7,389	7,858	9,837
Other	-	-	1,341	1,341	8,523
<b>Total</b>	<b>62,794</b>	<b>149</b>	<b>13,912</b>	<b>76,855</b>	<b>76,949</b>

Activities undertaken directly are costs attributable to the activity. Support costs are those costs that support the activity. Grant funding represents 70 (2021: 97) STFC grants made to schools to help them run physics and astronomy related activities and 12 (2021: 12) grants made to individuals under the Bell Burnell Graduate Scholarship Fund to encourage greater diversity in physics by assisting PhD physics students from under-represented groups.

In the prior year, other expenditure included £7.4m in relation to a provision that was made to allow for uncertainty over the effective date of equalisation of the Normal Retirement Age of the defined benefit pension scheme. There is no equivalent amount included in other expenditure in 2022. Further information is provided in the Financial Review.

Please see the Objectives and Activities, Achievements and Performance section of the Trustees' Annual Report for more information about the activities set out above, including Ecosystem ('Building a diverse, thriving and effective physics community'), Productivity ('Unlocking the full value of physics to society and the economy'), Public Dialogue ('Showing the impact of physics and inspiring informed public conversations') as well as our Transformation programme, our influencing campaign Limit Less and, of course, our scientific publications and our work with our members.

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Notes forming part of the financial statements (continued)**

**7b Analysis of expenditure on business operations**

Included within expenditure on charitable activities are costs for business operations amounting to £7,858k (2021: £9,837k). These are analysed as:

	2022	2022	2022	2021
	Restricted	Unrestricted	Total	Total
	£'000	£'000	£'000	£'000
Awards	116	211	327	279
Support	-	1,481	1,481	2,779
Membership	-	1,047	1,047	1,180
Technology	-	2,159	2,159	2,969
Facilities	-	1,548	1,548	1,728
Outreach	102	1,194	1,295	902
<b>Total business operations expense</b>	<b>218</b>	<b>7,640</b>	<b>7,858</b>	<b>9,837</b>

**8 Analysis of governance and support costs**

Included within expenditure on charitable activities are governance and support costs amounting to £12,492k (2021: £11,176k). These are analysed as:

	2022	2022	2022	2022	2021
	Management	Central	Finance	Total	Total
	Costs	Costs	Costs	Total	Total
	(Directorate +	(IT, HR,	Costs	Total	Total
	Staff)	Facilities)	Costs	Total	Total
	£'000	£'000	£'000	£'000	£'000
<b>Basis of Allocation</b>	Direct *	Direct #	Direct	Total	Total
Ecosystem	2,471	285	-	2,756	1,292
Productivity	290	33	-	323	229
Campaign	257	30	-	287	365
Public Dialogue	125	14	-	139	216
Transformation	250	29	-	279	323
Membership	1,183	136	-	1,319	652
Business operations	4,296	2,366	727	7,389	8,099
<b>Total</b>	<b>8,872</b>	<b>2,893</b>	<b>727</b>	<b>12,492</b>	<b>11,176</b>

\* CEO costs, governance costs and fundraising staff costs are allocated directly. All other staff costs are apportioned based on the original direct costs of the activity over total direct costs.

# All costs are allocated directly other than depreciation, impairments and bad debt provision movements which have been apportioned based on the original direct costs of the activity over total direct costs.

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Notes forming part of the financial statements (continued)**

**8 Analysis of governance and support costs (continued)**

**Auditors' fees:**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Fees payable to the charity's auditors for the audit of the charity's annual financial statements	<b>100</b>	45
Fees payable to the charity's auditors for other services:		
The audit of the charity's subsidiaries pursuant to legislation	<b>147</b>	96
Other services	<b>16</b>	301
Other taxation services	<b>10</b>	10
	<b>273</b>	452

**9 Staff**

**Institute of Physics - Group**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Wages and salaries	<b>28,553</b>	26,224
Social security costs	<b>2,714</b>	2,324
Pension costs	<b>2,713</b>	2,580
Redundancy and severance costs	<b>115</b>	70
<b>Total</b>	<b>34,095</b>	31,198

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Notes forming part of the financial statements (continued)**

**9 Staff (continued)**

The number of employees in the Group earning more than £60,000 including bonuses (excluding employer pension contributions) per year can be analysed in the following bands:

	<b>2022</b>	2021
	<b>Number</b>	Number
£60,000 - £69,999	27	32
£70,000 - £79,999	18	17
£80,000 - £89,999	17	11
£90,000 - £99,999	7	8
£100,000 - £109,999	4	6
£110,000 - £119,999	2	2
£120,000 - £129,999	1	1
£130,000 - £139,999	3	1
£140,000 - £149,999 +	2	-
£150,000 - £159,999	1	3
£160,000 - £169,999	-	1
£170,000 - £179,999 *	1	2
£190,000 - £199,999	-	1
£200,000 - £209,999	1	-
£210,000 - £219,999	-	1
£220,000 - £229,999	2	1
£230,000 - £239,999	1	-
£240,000 - £249,999	1	-
£260,000 - £269,999	-	1
£300,000 - £309,000	-	1
£400,000 - £409,999	1	-

+ This banding includes the remuneration of the Group Chief Executive Officer in 2022 who was in post from 6 June 2022 .

\* This banding includes the remuneration of the Group Chief Executive Officer in 2021.

The above banding covers the employees of the IOP Group and also includes 22 staff (2021: 20) who are employed by entities within the IOP Group that fall outside the scope of the gender pay gap reporting.

The above banding includes 62 (2021: 64) staff for whom retirement benefits are accruing under defined contribution schemes and 2 (2021: 9) staff for whom retirement benefits are accruing under defined benefit schemes. Contributions by the Group for the year for the above employees to defined contribution schemes amounted to £624k (2021: £656k). 26 staff included above (2021: 22) are paid in foreign currencies and their earnings are subject to foreign exchange fluctuations when translating from the base currency to sterling.

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Notes forming part of the financial statements (continued)**

**9 Staff (continued)**

**Institute of Physics - Charity**

Within the Charity only, the number of employees earning more than £60,000 including bonuses (excluding employer pension contributions) per year can be analysed in the following bands. Employer pension contributions have also been analysed to show the total employee benefits for those within these bandings:

<b>Salary &amp; Compensation</b>	<b>Bonus &amp; commission</b>	<b>Non pensionable allowances &amp; other benefits</b>	<b>Employer Pension Contribution</b>	<b>2022 Number</b>	<b>2021 Number</b>
£60,000 - £69,999	-	-	£5,000 - £14,999	<b>4</b>	7
£70,000 - £79,999	-	-	£5,000 - £14,999	<b>7</b>	6
£80,000 - £89,999	-	-	£5,000 - £14,999	<b>4</b>	3
£90,000 - £99,999	-	-	£5,000 - £14,999	<b>1</b>	-
£110,000 - £119,999	-	-	£5,000 - £14,999	<b>2</b>	1
£130,000 - £139,999	-	-	£5,000 - £14,999	<b>1</b>	-
£140,000 - £149,999 +	-	-	£0 - £5,000	<b>1</b>	-
£150,000 - £159,999	-	-	£0 - £5,000	<b>1</b>	1
£170,000 - £179,999 *	-	-	£30,000 - £34,999	-	1

+ This banding includes the remuneration of the Group Chief Executive Officer in 2022 who was in post from 6 June 2022.

\* This banding includes the remuneration of the Group Chief Executive Officer in 2021.

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Notes forming part of the financial statements (continued)**

**9 Staff (continued)**

**Institute of Physics - Group**

Within the trading subsidiaries of the Institute of Physics Group (IOP Enterprises Limited, IOP Publishing Limited, Turpion Limited, Turpion-Moscow Limited, IOP Publishing Inc., IOP Business Publishing Inc., IOP Publishing Consultants (Beijing) Co. Limited, IOP Marketing and Promotion Services Private Limited), some staff, dependant on role, have contractual performance-based incentives linked to the subsidiaries revenue or profit growth. Staff may also receive non pensionable allowances and medical benefits in addition to employer pension contributions.

UK employer pension contributions are made at a maximum of 18% of pensionable salary.

The average number of employees during the year was:

		<b>2022</b>	2021
		<b>Number</b>	Number
Charitable work:	- Institute of Physics	<b>117</b>	134
Business operations:	- IOP Publishing Limited	<b>237</b>	217
	- IOP Publishing Inc.	<b>28</b>	28
	- IOP Business Publishing Inc.	<b>2</b>	2
	- Turpion-Moscow Limited	<b>3</b>	3
	- IOP Publishing Consultants (Beijing) Co. Limited	<b>22</b>	17
	- IOP Marketing and Promotion Services Private Limited	<b>5</b>	5
	Management and administration:	- Institute of Physics	<b>33</b>
- IOP Publishing Limited		<b>135</b>	135
<b>Total</b>		<b>582</b>	575

The full-time equivalent employees as at 31 December 2022 was 567 (2021: 540).

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

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**Notes forming part of the financial statements (continued)**

**10 Key management personnel remuneration**

Key management personnel include all members of Council. The President, honorary officers and members of Council give their time to the IOP on a voluntary basis and are paid no remuneration for this work. They are reimbursed the actual costs of travel and subsistence necessarily incurred on the official business of the IOP and/or its subsidiaries. In the year to 31 December 2022 less than £8.5k of expenses were incurred and reimbursed to 5 trustees (2021: <£1k to 5 trustees).

Remunerated key management personnel include the members of the IOP's senior management team and directors of the IOP's subsidiary companies. The Group Chief Executive Officer performs a Group role across all entities within the IOP Group. The Group Chief Executive Officer is part of the IOP's senior management team which also includes the Deputy Chief Executive; Chief Financial Officer; The Director of Policy and Public Affairs; The Director of Science, Innovation & Skills; and the Chief Executive, IOP Publishing Limited. All members of the senior management team are remunerated by the IOP with the exception of the Chief Executive of IOP Publishing Limited.

In addition to the members of the IOP's senior management team, remunerated key management personnel comprise:

**IOP Publishing Limited**

Chief Financial Officer

Chief Sales Officer

Chief Technology Officer

Chief Publishing Officer

Chief People Officer

The pay and remuneration of the Group senior management team is set and monitored on behalf of Council by the Remuneration Committee. The Committee comprises the President, President-elect, Honorary Secretary and Honorary Treasurer, and is supported by several separately appointed external advisors. The Committee commissions, each year, relevant external benchmarking information from both the publishing and charity sector to support its decision-making, and when necessary takes additional advice from specialist organisations.

The total compensation paid to key management personnel for services provided to the Group was £2,513k (2021: £2,192k). This includes all remuneration, salary, benefits, bonuses and commission, employer's pension contributions, employer's national insurance contributions and any compensation payments made.

**11 Physics World**

During the year the IOP contributed £266k (2021: £266k) to IOPP towards the cost of copies of Physics World supplied to members, and £40k (2021: £40k) towards the cost of copies of Physics Education supplied to the IOP's affiliated schools programme.

**12 Taxation**

As a registered charity, the IOP is potentially exempt from taxation of its income and gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The subsidiary companies make qualifying donations of taxable profit to the Institute of Physics.

**13 Irrecoverable VAT**

There is a Group VAT registration for the Institute of Physics and its UK subsidiaries. The VAT group is partly exempt and, because of this, there are restrictions on the amount of VAT recoverable.

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Notes forming part of the financial statements (continued)**

**14 Intangible assets**

Institute of Physics - Group	Software £'000	Goodwill on consolidation £'000	Trademarks £'000	Assets in course of construction £'000	Total £'000
<i>Cost or valuation</i>					
At 1 January 2022	13,633	126	217	625	14,601
Additions	-	-	-	5,428	5,428
Transfer from assets in course of construction	886	-	-	(886)	-
Disposals	(289)	-	-	-	(289)
<b>At 31 December 2022</b>	<b>14,230</b>	<b>126</b>	<b>217</b>	<b>5,167</b>	<b>19,740</b>
<i>Accumulated amortisation</i>					
At 1 January 2022	(10,741)	(126)	(158)	-	(11,025)
Provision for the year	(1,415)	-	(43)	-	(1,458)
Disposals	289	-	-	-	289
<b>At 31 December 2022</b>	<b>(11,867)</b>	<b>(126)</b>	<b>(201)</b>	<b>-</b>	<b>(12,194)</b>
<i>Net book value</i>					
<b>At 31 December 2022</b>	<b>2,363</b>	<b>-</b>	<b>16</b>	<b>5,167</b>	<b>7,546</b>
At 31 December 2021	2,892	-	59	625	3,576

**Assets in the course of  
construction**

Assets in the course of construction relate to elements of the implementation of new software systems which are ongoing. These assets are not being depreciated. These assets will begin to be depreciated upon being brought into use.

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

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**Notes forming part of the financial statements (continued)**

**14 Intangible assets (continued)**

<b>Institute of Physics - Charity</b>	<b>Assets in course of construction £'000</b>	<b>Total £'000</b>
<i>Cost or valuation</i>		
At 1 January 2022	-	-
Additions	96	96
	<hr/>	<hr/>
<b>At 31 December 2022</b>	<b>96</b>	<b>96</b>
	<hr/>	<hr/>
<i>Accumulated amortisation</i>		
At 1 January 2022	-	-
	<hr/>	<hr/>
<b>At 31 December 2022</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>
<i>Net book value</i>		
<b>At 31 December 2022</b>	<b>96</b>	<b>96</b>
	<hr/>	<hr/>
At 31 December 2021	-	-
	<hr/>	<hr/>

**Assets in the course of construction**

Assets in the course of construction relate to costs of a new website being developed for the Charity which are ongoing. These assets are not being depreciated. These assets will begin to be depreciated upon being brought into use.

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Notes forming part of the financial statements (continued)**

15 Tangible assets	Unoccupied property	Freehold property	Short leasehold property	Fixtures and equipment	Total
Institute of Physics - Group	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
At 1 January 2022	2,783	33,975	2,492	4,362	<b>43,612</b>
Additions	7	18	1,748	1,127	<b>2,900</b>
Disposals	(242)	-	(2,365)	(2,198)	<b>(4,805)</b>
<b>At 31 December 2022</b>	<b>2,548</b>	<b>33,993</b>	<b>1,875</b>	<b>3,291</b>	<b>41,707</b>
<i>Accumulated depreciation &amp; impairment</i>					
At 1 January 2022	-	(3,506)	(2,407)	(3,751)	<b>(9,664)</b>
Charge for the year	-	(809)	(86)	(331)	<b>(1,226)</b>
Impairment	(448)	(360)	-	-	<b>(808)</b>
Disposals	-	-	2,355	2,137	<b>4,492</b>
<b>At 31 December 2022</b>	<b>(448)</b>	<b>(4,675)</b>	<b>(138)</b>	<b>(1,945)</b>	<b>(7,206)</b>
<i>Net book value</i>					
<b>At 31 December 2022</b>	<b>2,100</b>	<b>29,318</b>	<b>1,737</b>	<b>1,346</b>	<b>34,501</b>
At 31 December 2021	2,783	30,469	85	611	33,948

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Notes forming part of the financial statements (continued)**

**15 Tangible assets (continued)**

Institute of Physics - Charity	Unoccupied property £'000	Freehold property £'000	Short leasehold property £'000	Fixtures and equipment £'000	Total £'000
<i>Cost</i>					
At 1 January 2022	2,783	33,975	2,362	304	<b>39,424</b>
Additions	7	18	1,738	65	<b>1,828</b>
Disposals	(242)	-	(2,362)	-	<b>(2,604)</b>
<b>At 31 December 2022</b>	<b>2,548</b>	<b>33,993</b>	<b>1,738</b>	<b>369</b>	<b>38,648</b>
<i>Accumulated depreciation &amp; impairment</i>					
At 1 January 2022	-	(3,506)	(2,362)	(175)	<b>(6,043)</b>
Charge for the year	-	(811)	(47)	(56)	<b>(914)</b>
Impairment	(448)	(360)	-	-	<b>(808)</b>
Disposals	-	-	2,362	-	<b>2,362</b>
<b>At 31 December 2022</b>	<b>(448)</b>	<b>(4,677)</b>	<b>(47)</b>	<b>(231)</b>	<b>(5,403)</b>
<i>Net book value</i>					
<b>At 31 December 2022</b>	<b>2,100</b>	<b>29,316</b>	<b>1,691</b>	<b>138</b>	<b>33,245</b>
At 31 December 2021	2,783	30,469	-	129	33,381

Included within Unoccupied Property is a property based in London and included within Freehold property is a property based in Ireland. Given fluctuations in commercial property markets, these properties were reviewed for impairment at the balance sheet date. The result of these reviews indicated that the recoverable amount of both properties was less than their carrying amount. A total impairment loss of £808k has therefore been recognised in the Statement of Financial Activities in the year ended 31 December 2022, apportioned across expenditure on Charitable Activities.

**16 Investments in subsidiary undertakings**

**Institute of Physics - Charity**

	Subsidiary undertakings £'000
<i>Cost and net book value</i>	
At 1 January 2022 and 31 December 2022	<b>3,001</b>

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Notes forming part of the financial statements (continued)**

**16 Investments in subsidiary undertakings (continued)**

The IOP's subsidiary undertakings at 31 December 2022 were as follows:

Name	Country of incorporation / registration	Class of shares held	Percentage held	Nature of business	Year end
<i>Subsidiary undertakings</i>					
IOP Publishing Limited	UK	Ordinary	100%	Publishing	31 Dec 2022
IOP Enterprises Limited	UK	Ordinary	100%	Dormant	31 Dec 2022
IOP Educational Publishing Limited	UK	Ordinary	100% *	Dormant	31 Dec 2022
IOP Publishing Inc.	USA	Ordinary	100%	Publishing	31 Dec 2022
IOP Business Publishing Inc.	USA	Ordinary	100% ^	Publishing	31 Dec 2022
IOP Publishing Consultants (Beijing) Co. Limited	China	Ordinary	100% *	Publishing consulting	31 Dec 2022
Turpion Limited	UK	Ordinary	100% *	Publishing	31 Dec 2022
Turpion-Moscow Limited	Russia	Ordinary	100% +	Publishing	31 Dec 2022
IOP Publishing Moscow LLC	Russia	Ordinary	100% #	Publishing	31 Dec 2022
IOP Marketing and Promotion Services Private Limited	India	Ordinary	100% –	Publishing	31 Mar 2023

\* The investments in IOP Educational Publishing Limited, IOP Publishing Consultants (Beijing) Co. Limited and Turpion Limited are held directly by IOP Publishing Limited.

^ The investment in IOP Business Publishing Inc. is held directly by IOP Publishing Inc.

+ The investment in Turpion-Moscow Limited is held directly by Turpion Limited.

# The investment in IOP Publishing Moscow LLC is owned 1% by IOP and 99% by IOP Publishing Limited.

– The investment in IOP Marketing and Promotion Services Private Limited is 0.01% owned by IOP and 99.99% by IOP Publishing Limited.

IOP Enterprises Limited and IOP Educational Publishing Limited, as dormant entities, are exempt from preparing individual accounts under s394A of Companies Act 2006 and are exempt from the obligation to file accounts with the registrar by virtue of s448A of Companies Act 2006.

Address of IOP Publishing Limited is No.2 The Distillery, Glassfields, Avon Street, Bristol

Address of IOP Enterprises Limited is 37 Caledonian Road, London, N1 9BU

Address of IOP Educational Publishing Limited is No.2 The Distillery, Glassfields, Avon Street, Bristol

Address of IOP Publishing Inc. is 190 N. Independence Mall West Suite 601 Philadelphia, PA 19106, USA

Address of IOP Business Publishing Inc. is 190 N. Independence Mall West Suite 601 Philadelphia, PA 19106, USA

Address of IOP Publishing Consultants (Beijing) Co. Limited is Room 608, Building A, Raycom Info Tech Park, No.2 Kexueyuan South Road, Beijing China 100190

Address of Turpion Limited is No.2 The Distillery, Glassfields, Avon Street, Bristol

Address of Turpion-Moscow Limited is MIAN, 8 Gubkina Street, Room 915, Moscow 119991, Russia

Address of IOP Publishing Moscow LLC is Room 2, 7th floor, Building 2, 17 Skakovaya Street, Moscow, 125040, Russia.

Address of IOP Marketing and Promotion Services Private Limited is No 59, Empee Tower, Harris Road, Pudupet Chennai 600002, Tamil Nadu, India

**Institute of Physics**  
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**Notes forming part of the financial statements (continued)**

**16 Investments in subsidiary undertakings (continued)**

Details of the net assets, turnover, expenditure and profit for the year of IOP Publishing Limited, IOP Enterprises Limited, IOP Publishing Inc., IOP Business Publishing Inc., IOP Publishing Consultants (Beijing) Co. Limited, Turpion Limited and IOP Marketing and Promotion Services Private Limited are as follows:

	<b>Company Number</b>	<b>Net assets /(liabilities)</b>	<b>Turnover</b>	<b>Expenditure</b>	<b>Profit /(Loss)</b>
		<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
IOP Publishing Limited	00467514	9,986	70,301	(60,048)	10,253
IOP Enterprises Limited	03471563	4	-	-	-
IOP Publishing Inc.	26-2659520	1,243	4,130	(3,571)	559
IOP Business Publishing Inc.	26-2301131	(175)	291	(277)	14
IOP Publishing Consultants (Beijing) Co. Limited	No.05292	378	1,983	(1,913)	70
Turpion Limited	02463452	(16)	-	(144)	(144)
IOP Publishing Moscow LLC	1217700419815	(29)	-	(54)	(54)
IOP Marketing and Promotion Services Private Limited	U74999TN2016FTC103739	127	334	(301)	33

Profit for the year of IOP Publishing Limited, IOP Enterprises Limited, IOP Publishing Inc., IOP Business Publishing Inc., and Turpion Limited are shown after the profits generated by each entity have been distributed by gift aid to the IOP.

**Institute of Physics**  
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**Notes forming part of the financial statements (continued)**

**17 Investments**

	<b>Group and charity</b>	
	<b>2022</b>	2021
	<b>£'000</b>	£'000
Market value at beginning of the year	<b>25,895</b>	22,953
Purchases in year	-	2,926
Disposal proceeds in year	-	(2,926)
Realised losses	-	(111)
Dividends accumulated into investments	<b>220</b>	-
Unrealised (losses)/gains	<b>(2,473)</b>	3,053
	<b>23,642</b>	25,895
Historical cost	<b>21,629</b>	21,629

No investment management cost was incurred in 2022 or 2021.

	<b>Group and charity</b>	
	<b>2022</b>	2021
	<b>£'000</b>	£'000
The analysis of investments by class is as follows:		
Vanguard FTSE Global All Cap Index Fund	<b>12,177</b>	13,277
BNY Mellon Real Return Fund Newton Institutional	<b>6,968</b>	7,513
CCLA COIF Charities Property Fund	<b>4,497</b>	5,105
Market value of investments	<b>23,642</b>	25,895
Total value of investments	<b>23,642</b>	25,895

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Notes forming part of the financial statements (continued)**

**18 Debtors**

	<b>Group</b>	Group	<b>Charity</b>	Charity
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Trade debtors	<b>22,244</b>	13,638	<b>81</b>	117
Other debtors	<b>3,584</b>	783	<b>581</b>	699
Amounts owed from Group undertakings	-	-	<b>110</b>	-
Prepayments and accrued income	<b>3,676</b>	4,201	<b>1,193</b>	1,137
<b>Total</b>	<b>29,504</b>	18,622	<b>1,965</b>	1,953

An impairment loss of £185k (2021: £36k) was recognised in the consolidated Statement of Financial Activities for the year in respect of bad and doubtful debtors. An impairment loss of £69k (2021: £20k) was recognised in the Charity Statement of Financial Activities for the year in respect of bad and doubtful debtors.

Amounts owed from Group undertakings are interest free and repayable on demand.

**19 Creditors: amounts falling due within one year**

	<b>Group</b>	Group	<b>Charity</b>	Charity
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Trade creditors	<b>2,669</b>	1,354	<b>398</b>	424
Amounts owed to Group undertakings	-	-	-	71
Other creditors	<b>7,568</b>	6,272	<b>32</b>	5
Derivative financial instruments	<b>1,097</b>	210	-	-
Other taxes and social security	<b>677</b>	653	<b>207</b>	186
Accruals	<b>6,790</b>	5,339	<b>1,363</b>	750
Deferred income	<b>24,900</b>	17,735	<b>417</b>	545
<b>Total</b>	<b>43,701</b>	31,563	<b>2,417</b>	1,981

Amounts owed to Group undertakings are interest free and repayable on demand.

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Notes forming part of the financial statements (continued)**

**19 Creditors: amounts falling due within one year (continued)**

Deferred income represents income received in advance:

	<b>Group</b>	Group	<b>Charity</b>	Charity
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Journals subscriptions	<b>23,935</b>	16,616	-	-
Membership income	<b>356</b>	306	<b>356</b>	306
Other	<b>609</b>	813	<b>61</b>	239
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>24,900</b>	17,735	<b>417</b>	545
	<hr/>	<hr/>	<hr/>	<hr/>

**20 Financial instruments**

The Group's and charity's financial instruments may be analysed as follows:

	<b>Group</b>	Group	<b>Charity</b>	Charity
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	<b>23,642</b>	25,895	<b>23,642</b>	25,895
Financial assets measured at amortised cost	<b>55,225</b>	53,500	<b>13,470</b>	8,451
<b>Financial liabilities</b>				
Financial liabilities measured at fair value through profit or loss	<b>(1,097)</b>	(210)	-	-
Financial liabilities measured at amortised cost	<b>(17,026)</b>	(12,965)	<b>(1,792)</b>	(1,250)

Financial assets measured at fair value through profit or loss comprise fixed asset investments in a trading portfolio of listed company shares.

Financial assets measured at amortised cost comprise trade debtors, other debtors, amounts owed by Group undertakings, accrued income, current asset investments and cash at bank.

Financial liabilities measured at fair value through profit or loss comprise the fair value of foreign currency exchange contracts.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and amounts owed to Group undertakings.

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Notes forming part of the financial statements (continued)**

**21 Provisions for liabilities**

	<b>Group</b>	Group	<b>Charity</b>	Charity
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<i>Dilapidations provision</i>				
At January 2022	<b>806</b>	806	<b>806</b>	806
New provisions	<b>272</b>	-	<b>272</b>	-
Adjustment on reassessment of dilapidations	<b>(306)</b>	-	<b>(306)</b>	-
	<u>772</u>	<u>806</u>	<u>772</u>	<u>806</u>

Included within provisions is a provision of £500k (2021: £806k) for costs relating to the exit of leasehold premises which are expected to crystallise in 2023. The remaining £272k (2021: £nil) is for costs relating to the exit of a leasehold premises which are expected to crystallise in 2032. The amount payable will be agreed through future negotiation at such point that an exit occurs.

**22 Movement on reserves**

	<b>General fund</b>	<b>Restricted funds</b>	<b>Pension (deficit)/ surplus</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Institute of Physics - Group</b>				
At 1 January 2021	74,690	3,303	(10,883)	<b>67,110</b>
Net income / (expense)	9,083	238	(4,533)	<b>4,788</b>
Exchange adjustments	-	-	-	-
Actuarial gains	-	-	11,782	<b>11,782</b>
	<u>83,773</u>	<u>3,541</u>	<u>(3,634)</u>	<u><b>83,680</b></u>
At 31 December 2021	83,773	3,541	(3,634)	<b>83,680</b>
Net income / (expense)	(8,561)	(429)	4,545	<b>(4,445)</b>
Exchange adjustments	610	-	-	<b>610</b>
Actuarial losses	-	-	(215)	<b>(215)</b>
	<u>75,822</u>	<u>3,112</u>	<u>696</u>	<u><b>79,630</b></u>
Balances carried forward as at 31 December 2022	<b>75,822</b>	<b>3,112</b>	<b>696</b>	<b>79,630</b>

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Notes forming part of the financial statements (continued)**

**22 Movement on reserves (continued)**

	General fund	Restricted funds	Pension (deficit)/ surplus	Total
	£'000	£'000	£'000	£'000
<b>Institute of Physics - Charity</b>				
At 1 January 2021	55,774	3,303	(10,883)	<b>48,194</b>
Net income / (expense)	9,129	238	(4,533)	<b>4,834</b>
Actuarial gains	-	-	11,782	<b>11,782</b>
At 31 December 2021	64,903	3,541	(3,634)	<b>64,810</b>
Net income / (expense)	2,519	(429)	4,545	<b>6,635</b>
Actuarial losses	-	-	(215)	<b>(215)</b>
Balances carried forward as at 31 December 2022	<b>67,422</b>	<b>3,112</b>	<b>696</b>	<b>71,230</b>

	Prize funds	Other funds	Total
	£'000	£'000	£'000
<b>Group and charity</b>			
<b>Restricted funds</b>			
Balance at 1 January 2021	50	3,253	<b>3,303</b>
Incoming resources	7	256	<b>263</b>
Resources expended	(7)	(326)	<b>(333)</b>
Unrealised gains on investments	-	308	<b>308</b>
Balance at 31 December 2021	50	3,491	<b>3,541</b>
Incoming resources	-	379	<b>379</b>
Resources expended	(1)	(496)	<b>(497)</b>
Unrealised losses on investments	-	(311)	<b>(311)</b>
Balance at 31 December 2022	49	3,063	<b>3,112</b>

Restricted funds are held by the IOP and were given to the IOP to spend towards specific projects and purposes. Prize funds are held by the IOP to give out as awards to individuals for their exceptional contribution towards physics. Other funds are to be spent on specific projects.

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Notes forming part of the financial statements (continued)**

**22 Movement on reserves (continued)**

**Analysis of Net Assets by Fund**

	General fund £'000	Restricted funds £'000	Pension surplus £'000	Total £'000
<b>Institute of Physics Group</b>				
Intangible Fixed Assets	7,546	-	-	7,546
Tangible Fixed Assets	34,501	-	-	34,501
Investments	20,904	2,738	-	23,642
Current Assets	57,718	-	-	57,718
Current Liabilities	(44,075)	374	-	(43,701)
Non-current Assets	-	-	696	696
Non-current Liabilities	(772)	-	-	(772)
	<hr/>			
Balances carried forward	75,822	3,112	696	79,630
	<hr/>			

**23 Pensions**

The Group operates three pension schemes.

**Defined benefit pension scheme**

The Institute of Physics Retirement Benefits Plan 1975 was closed to new members on 31 December 2001. The IOP continues to support the scheme for those who were members on the effective date of closure.

A Group personal pension scheme was established to replace the defined benefit scheme with effect from 1 January 2002. This scheme closed to new members on 31 January 2014 and a new Group person pension scheme was established from 1 February 2014. The IOP has also designated a stakeholder pension scheme in compliance with the Pensions Act 1995.

The most recent FRS 102 valuation of the Institute of Physics Retirement Benefits Plan 1975 dated 31 December 2022 showed that the value of the scheme's assets as at that date was £76,899k (2021: £114,427k) and that the actuarial value of those assets represented 101% (2021: 97%) of the benefits that had accrued to members, after allowing for expected future increases in earnings.

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

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**Notes forming part of the financial statements (continued)**

**23 Pensions (continued)**

The principal actuarial assumptions used by the actuary at the balance sheet date were:

	<b>2022</b>	2021
	%	%
Discount rate	<b>4.75</b>	1.95
Aggregate long-term expected rate of return on assets (net of expenses)		
Inflation (RPI)	<b>3.20</b>	3.45
Inflation (CPI)	<b>2.55</b>	2.80
Future increases in deferred pensions:		
Rate of increase in salaries	<b>2.60</b>	2.85
Rate of increase to pensions in payment:		
Pre 2001 pension	<b>5.00</b>	5.00
2001-2006 pension	<b>3.20</b>	3.50
Post 2006 pension	<b>2.10</b>	2.20
	<b>Years</b>	Years
Mortality assumptions:		
Life expectancy of male aged 65 now	<b>21.9</b>	22.1
Life expectancy of male aged 65 in 20 years	<b>23.1</b>	23.3
Life expectancy of female aged 65 now	<b>24.4</b>	24.5
Life expectancy of female aged 65 in 20 years	<b>25.8</b>	25.9

Cash commutation:

**2022:** Members take 75% of their max allowable pension commencement lump sum on current terms

**2021:** Members take 75% of their max allowable pension commencement lump sum on current terms

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Notes forming part of the financial statements (continued)**

**23 Pensions (continued)**

*Reconciliation of fair value of plan liabilities:*

	<b>2022</b>	2021
	<b>£'000</b>	£'000
At the beginning of the year	<b>118,061</b>	119,622
Past service (income) / cost	<b>(3,606)</b>	7,400
Interest cost	<b>2,278</b>	1,601
Remeasurement gains:		
Actuarial gains	<b>(38,093)</b>	(8,495)
Benefits paid	<b>(2,437)</b>	(2,067)
	<hr/>	<hr/>
At the end of the year	<b>76,203</b>	118,061
	<hr/>	<hr/>

*Changes in the fair value of plan assets:*

	<b>2022</b>	2021
	<b>£'000</b>	£'000
At the beginning of the year	<b>114,427</b>	108,739
Interest income	<b>2,217</b>	1,468
Remeasurement (losses) / gains:		
Return on scheme assets excluding interest	<b>(38,308)</b>	3,287
Contributions by employer	<b>1,000</b>	3,000
Benefits paid including expenses	<b>(2,437)</b>	(2,067)
	<hr/>	<hr/>
At the end of the year	<b>76,899</b>	114,427
	<hr/>	<hr/>

Actual return on plan assets	<b>(36,091)</b>	4,755
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	<b>2022</b>	2021
	<b>£'000</b>	£'000
Fair value of plan assets	<b>76,899</b>	114,427
Actuarial value of plan liabilities	<b>(76,203)</b>	(118,061)
	<hr/>	<hr/>
Net pension scheme asset/ (liability)	<b>696</b>	(3,634)
	<hr/>	<hr/>

	<b>Group and charity</b>	
	<b>2022</b>	2021
	<b>£'000</b>	£'000
Pension asset/ (liability) recognised on the balance sheet	<b>696</b>	(3,634)
	<hr/>	<hr/>

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Notes forming part of the financial statements (continued)**

**23 Pensions (continued)**

*Amounts recognised in profit or loss are as follows:*

	<b>Group and charity</b>	
	<b>2022</b>	2021
	<b>£'000</b>	£'000
Past service (income)/cost	<b>(3,606)</b>	7,400
Net interest cost	<b>61</b>	133
	<hr/>	<hr/>
Total	<b>(3,545)</b>	7,533
	<hr/>	<hr/>

*Analysis of actuarial (loss) / gain recognised within the Statement of Financial Activities gains and losses category*

	<b>Group and charity</b>	
	<b>2022</b>	2021
	<b>£'000</b>	£'000
Actual return less interest income included in net interest cost	<b>(38,308)</b>	3,287
Changes in assumptions underlying the present value of the scheme liabilities	<b>38,093</b>	8,495
	<hr/>	<hr/>
Actuarial (loss) / gain on defined benefit pension scheme	<b>(215)</b>	11,782
	<hr/>	<hr/>

*Composition of plan assets*

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Equities	<b>10,664</b>	23,917
Diversified growth funds	<b>10,702</b>	36,390
Annuities	<b>5,835</b>	7,876
Liability Driven Investment funds	<b>13,576</b>	32,617
Partners Fund	<b>11,996</b>	11,771
Cash	<b>24,126</b>	1,856
	<hr/>	<hr/>
Total plan assets	<b>76,899</b>	114,427
	<hr/>	<hr/>

**Defined contribution pension schemes**

The amount recognised in the Statement of Financial Activities as an expense in relation to the Group's defined contribution pension schemes is £2,398k (2021: £2,393k). There was no outstanding payable to the schemes at the year end of 2022 and 2021.

**Institute of Physics**  
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**Notes forming part of the financial statements (continued)**

**24 Analysis of changes in net funds**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
(Decrease) / increase in cash and cash equivalents	<b>(10,038)</b>	9,005
Exchange translation	<b>610</b>	-
<b>Movement in net funds in the year</b>	<b>(9,428)</b>	9,005
Net funds brought forward	<b>37,642</b>	28,637
<b>Net funds carried forward</b>	<b>28,214</b>	37,642

**25 Commitments under operating leases**

**Group**

The Group has minimum lease payments under non-cancellable operating leases as set out below:

	<b>Land and buildings</b>	Land and buildings
	<b>2022</b>	2021
	<b>£'000</b>	£'000
Not later than 1 year	<b>559</b>	392
Later than 1 year and not later than 5 years	<b>2,456</b>	476
Later than 5 years	<b>2,412</b>	-
	<b>5,427</b>	868

**Charity**

The charity has minimum lease payments under non-cancellable operating leases as set out below:

	<b>Land and buildings</b>	Land and buildings
	<b>2022</b>	2021
	<b>£'000</b>	£'000
Not later than 1 year	<b>148</b>	-
Later than 1 year and not later than 5 years	<b>2,363</b>	-
Later than 5 years	<b>2,412</b>	-
	<b>4,923</b>	-

The Temple Circus lease expired in 2021. During 2022, the IOP exited the lease for Temple Circus and in February 2022, signed a lease for a new property in Bristol, The Distillery.

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**Notes forming part of the financial statements (continued)**

**25 Commitments under operating leases (continued)**

Under the terms of the new lease for The Distillery, the charity and the Group has minimum lease payments as follows:

	<b>Land and buildings</b>
	<b>2022</b>
	<b>£'000</b>
Not later than 1 year	<b>148</b>
Later than 1 year and not later than 5 years	<b>2,363</b>
Later than 5 years	<b>2,412</b>
	<hr/>
	<b>4,923</b>
	<hr/> <hr/>

Lease payments recognised under 'other expenditure' in the period were £830k (2021: £915k).

**26 Amounts receivable under operating leases**

The charity has minimum lease payments receivable under non-cancellable operating leases as set out below:

	<b>Land and buildings</b>	Land and buildings
	<b>2022</b>	2021
	<b>£'000</b>	£'000
Not later than 1 year	<b>715</b>	-
Later than 1 year and not later than 5 years	<b>2,860</b>	-
Later than 5 years	<b>2,920</b>	-
	<hr/>	
	<b>6,495</b>	-
	<hr/> <hr/>	

During 2022, the IOP exited its old lease and entered into a new lease in Bristol expiring in 2032, which is the trading address of its subsidiary IOP Publishing Limited.

**Institute of Physics**  
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**Notes forming part of the financial statements (continued)**

**27 Related parties**

The transactions noted below are all reported due to the individuals being trustees, directors or key management personnel.

**Sales by IOP Publishing Limited in 2022**

Individual	Related organisation	Role within related organisation	Description of transaction	Sales by IOPP in 2022 (£)	Amount outstanding at 2022 year end (£)
Martin Freer	University of Birmingham	Director of the Birmingham Energy Institute and Director of the Energy Research Accelerator	Read & Publish licence fee	65,333	-
Tariq Ali		Deputy Pro-Vice Chancellor			
Martin Hendry	University of Glasgow	Clerk of Senate & Vice Principal. Professor of Gravitational Astrophysics & Cosmology	Article publication charges & subscriptions	1,130	-
Sheila Rowan		Director of Institute for Gravitational Research			
Alix Pryde	Queen Mary University of London	Member of Council	Article publication charges	1,792	-
David Delpy	Brunel University	Member of Council	Article publication charges & subscriptions	1,100	-
Peter Thompson	National Physics Laboratory	CEO	Article publication charges & subscriptions	14,536	-
Sheila Rowan	Science & Technology Funding Council (STFC)	Senior Independent Member of Council	Advertising in Physics World	4,500	-
Sheila Rowan	UK Research & Innovation (UKRI)	Member of STFC	Advertising in Physics World	13,500	-
Sheila Rowan	Cardiff University School of Physics and Astronomy	Member of External Advisory Panel	Advertising in Physics World	500	-

**Purchases by IOP Publishing Limited in 2022**

Individual	Related organisation	Role within related organisation	Description of transaction	Purchases by IOPP in 2022 (£)	Amount outstanding at 2022 year end (£)
Miriam Maus	The Publishers Association	Director	Copyright infringement portal	7,625	4,680
Antonia Seymour		Director			
Antonia Seymour	STM Association	Board Member	Membership and Taskforce subscriptions	39,060	-
Eefke Smit		Director of Standards and Technology			
Sarah Flannigan	Self employed		Consultancy	10,744	-

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**Notes forming part of the financial statements (continued)**

**27 Related parties (continued)**

**Amounts invoiced by the IOP in 2022**

Individual	Related organisation	Role within related organisation	Description of transaction	Invoiced by the IOP in 2022 (£)	Amount outstanding at 2022 year end (£)
Peter Thompson	National Physics Laboratory	CEO	Sponsorship income	1,000	-
Tariq Ali	University of Loughborough	Board member	Sponsorship income	793	-
Claudia Eberlein		Dean of Science & Professor of Theoretical Physics			
John Dainton	Royal Society of Publishing	Editor in Chief	Sponsorship income	3,000	-
Sheila Rowan	Science & Technology Facilities Council	Senior Independent Member of Council	Sponsorship income	2,500	2,000
			Contribution to School Grants Scheme	20,000	-

**Purchases by the IOP in 2022**

Individual	Related organisation	Role within related organisation	Description of transaction	Purchases by the IOP in 2022 (£)	Amount outstanding at 2022 year end (£)
Paul Hardaker*	Sense about science	Council member	Room hire	3,000	-
Martin Freer	University of Birmingham	Director of the Birmingham Energy Institute & Director of the Energy Research Accelerator at the University of Birmingham	Sponsorship	500	-
Tariq Ali*		Deputy Pro-Vice Chancellor			
Martin Hendry	University of Glasgow	Clerk of Senate & Vice Principal. Professor of Gravitational Astrophysics & Cosmology	Grants & bursaries	2,500	-
Sheila Rowan		Director of Institute for Gravitational Research	Conference costs	22,500	-
	Science & Technology Facilities Council	Senior Independent Member of Council	Conference costs	34,005	-
Keith Burnett	STEM Learning Ltd	Strategic Panel Member	Consultancy	223,661	27,584
			Delivery of SPN Contract	122,230	
			Staffing costs	52,114	
David Delpy	Brunel University	Council member	Room hire	3,000	-

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Notes forming part of the financial statements (continued)**

**27 Related parties (continued)**

**Sales by IOP Publishing Limited in 2021**

Individual	Related organisation	Role within related organisation	Description of transaction	Sales by IOPP in 2021 (£)	Amount outstanding at 2021 year end (£)
Martin Freer	University of Birmingham	Director of the Birmingham Energy Institute & Director of the Energy Research Accelerator	Article publication charges & subscriptions	66,057	6,810
Tariq Ali		Deputy Pro-Vice Chancellor	Advertising	3,495	
Martin Hendry	University of Glasgow	Professor of Gravitational Astrophysics & Cosmology	Article publication charges & subscriptions	59,440	-
Sheila Rowan		Director of Institute for Gravitational Research			
Phillip Burrows	Deutsches Elektronen Synchrotron (DESY)	Chair of the Physics Review Committee	Article publication charges	9,429	-
Sheila Rowan	Science and Technology Facilities Council (STFC)	Director of the Institute for Gravitational Research, School of Physics and Astronomy	Advertising	2,745	-
Mark Telling #		Associate Director	Article publication charges	1,465	-
Alix Pryde	Queen Mary University of London	Member of Council	Article publication charges	4,130	-
Claudia Eberlein	Loughborough University	Dean of Science, Professor of Theoretical Physics & Member of Council	Article publication charges	1,550	-
Tariq Ali		Member of the board - Industrial Policy Research Centre UK at University of Loughborough/ MTC			
Brian Fulton #	University of York	Dean of faculty of Sciences & member of University Executive Board	Article publication charges	80,067	-
			Advertising	1,000	-
Wendy Flavell #	University of Manchester	Vice Dean for Research in Faculty of Science and Engineering and Deputy Head of School in Department of Physics and Astronomy	Article publication charges	79,730	-
			Advertising	3,079	-

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Notes forming part of the financial statements (continued)**

**27 Related parties (continued)**

**Purchases by IOP Publishing Limited in 2021**

Individual	Related organisation	Role within related organisation	Description of transaction	Purchases by IOPP in 2021 (£)	Amount outstanding at 2021 year end (£)
Miriam Maus	The Publishers Association	Director	Membership subscriptions	46,702	-
Sarah Flannigan	Independent consultant		Consultancy services	5,941	-
Paul Hardaker	Sense about Science	Trustee	Partnership grant	10,000	-
Eefke Smit	STM Association	Director of Standards and Technology	Membership and Taskforce subscriptions	43,378	3,333
Antonia Seymour		Board member			

**Amounts invoiced by the IOP in 2021**

Individual	Related organisation	Role within related organisation	Description of transaction	Invoiced by the IOP in 2021 (£)	Amount outstanding at 2021 year end (£)
Sheila Rowan	Science and Technology Facilities Council (STFC)	Director of the Institute for Gravitational Research, School of Physics and Astronomy	Sponsorship income	9,587	-
Mark Telling #		Associate Director	Project income	20,000	-

**Institute of Physics**  
**Trustees' Annual Report and Financial Statements for the year ended 31 December 2022**

**Notes forming part of the financial statements (continued)**

**27 Related parties (continued)**

**Purchases by the IOP in 2021**

Individual	Related organisation	Role within related organisation	Description of transaction	Purchases by the IOP in 2021 (£)	Amount outstanding at 2021 year end (£)
Paul Hardaker	Sense about science	Trustee	IOP annual partnership grant +	25,000	-
Martin Freer	University of Birmingham	Director of the Birmingham Energy Institute and Director of the Energy Research Accelerator at the University of Birmingham	Grants and bursaries	1,555	-
Tariq Ali		Deputy Pro-Vice Chancellor			
Martin Hendry	University of Glasgow	Professor of Gravitational Astrophysics & Cosmology	Grants & bursaries	150	-
Sheila Rowan		Director of Institute for Gravitational Research			
Alix Pryde	Queen Mary University of London	Member of Council	Grants & bursaries	150	-
Brian Fulton #	University of York	Dean of faculty of Sciences & member of University Executive Board	Grants & bursaries	51,495	-

\* Retired 30 September 2022

# Retired 30 September 2021

+ Paul Hardaker was not involved in any decision making related to the Sense about Science Partnership Grant

The charity did not receive any donations with conditions from the trustees or other related party (2021: £nil).

No individual listed above was involved in any way with decisions related to, or taken on, the IOP's expenditure with these related organisations in 2022 or 2021.

The Institute of Physics (IOP) is the professional body and learned society for physics in the UK and Ireland. It seeks to raise public awareness and understanding of physics, inspire people to develop their knowledge, understanding and enjoyment of physics and support the development of a diverse and inclusive physics community. As a charity, it has a mission to ensure that physics delivers on its exceptional potential to benefit society.

The Institute of Physics is a charity registered in England and Wales (no. 293851) and Scotland (no. SC040092).

Visit us at [iop.org](https://www.iop.org)

**IOP** Institute of Physics

**THE INSTITUTE OF PHYSICS**

England & Wales - Charity number 293851

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# Accounts

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# Annual Report 2021





# **Trustees' Annual Report and Financial Statements for the year ending 31 December 2021**

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# Objectives and Activities, Achievements and Performance

**The Institute of Physics (IOP) is the national physical society for the UK and Ireland. The objective of the IOP, as stated in our Royal Charter, is to promote the advancement and dissemination of knowledge and education in the science of physics, pure and applied, for the benefit of the public and the members of the IOP.**

The trustees confirm that they have referred to the Charity Commission and the Office of the Scottish Charity Regulator (OSCR)'s guidance on public benefit when reviewing the IOP's aims and objectives and in planning future activities. The IOP meets the public benefit test in the following ways:

- the advancement of education;
- the advancement of science;
- the advancement of community development; and
- the promotion of equality and diversity.

The IOP works to advance physics research, application and education, and engages with policymakers and the public, to develop awareness and understanding of physics.

The public benefit, which our many and varied activities provide, can be summarised as follows:

- our support for learners, teachers and curriculum development, in order to support universal access to quality learning pathways – academic and technical;
- continued improvements in the quality of physics teaching in schools and colleges;

- our focus on building a more diverse, inclusive and vibrant physics community. We actively seek to encourage students from under-represented groups to study physics beyond the age of 16, and work relentlessly to break down barriers so all pupils can have a high-quality physics education;
- our publication of physics journals, books, magazines and websites, and the scientific meetings and conferences we arrange. These bring high-quality physics research to a wide audience, ensuring the latest physics developments are seen, shared and built upon. IOP Publishing continues to develop an Open Physics initiative which is intended to support greater access, transparency and inclusivity across physics research;
- our efforts to connect physicists working in all sectors, to drive innovation and support the delivery of ground-breaking technologies that will help shape the economies of the UK and Ireland;
- our work to raise public awareness of the value of physics. By showing how physics affects all of our lives, we spark interest in the subject and encourage more people to get involved in it;

- our events and conferences support a thriving physics ecosystem, bringing together the community from across the UK, Ireland and internationally, to share knowledge about the discipline and its applications, explore collaborations and provide networking opportunities; and
- our work to continually increase professional and ethical standards across the physics community, driving excellence and supporting inclusive workplaces.

It is vital that financial concerns do not stop people from engaging in physics. With that in mind, we offer concessionary IOP membership rates for anyone earning less than £21,000 per year. Undergraduates, trainees and apprentices are able to join the IOP for £15. Our Benevolent Fund provides financial support for IOP members and, during 2020 and 2021, the Benevolent Fund was able to offer assistance to members who were financially impacted by COVID-19. As part of our commitment to support scientific research globally, researchers in many lower income countries are able to access our subscription journals, or publish in our open access journals, at a discounted rate or for no cost.

The IOP works to advance physics research, application and education, and engages with policymakers and the public, to develop awareness and understanding of physics.

## Transforming how we work to achieve our ambitions

2021 marked our second year of working towards the aspirations set out in Unlocking the Future, our strategy for 2020-24. The strategy sets out how – in the face of unprecedented challenges – we can develop and support a thriving physics ecosystem, unlocking the future for those working in physics across the UK and Ireland and their work at home and around the world. It describes the vital role physics can play in tackling challenges from safeguarding energy supplies to decarbonising economies, and defines our aim to make the UK and Ireland fit for a new industrial era of science, technology and engineering.

The level of ambition set out in Unlocking the Future requires profound change at the IOP. It requires us to shift from being predominantly a delivery-focused organisation to one that uses our convening and influencing power to create sustainable, systemic change. It requires us to develop powerful cross-sector partnerships, in the UK and Ireland and around the globe. It requires us to engage with and support our members and stakeholders more closely than ever. And it requires us to build an evidence base to measure the impact of our work and inform future decisions that will unlock the potential of physics for society.

This review tells the story of all of these processes gaining ground as we reshaped our work to achieve our ambitions. It also covers a period, of course, when COVID-19 continued to have a significant impact on our work and on society more widely. As in 2020, this led us to both listen to and focus on the changing needs of the physics community, and to use the opportunity to reflect on how we can work most effectively in the future. As the IOP shifted and uncertainty persisted all around us, the level of impact reported here is testimony to the dedication and determination of the entire IOP community.

### Unlocking the future: in summary

Our strategy identifies three key challenges that present the greatest barriers to unlocking the potential of physics and its impact in society:

#### **Diversity and skills**

We want to build a thriving, diverse physics community so everyone, regardless of background, has access to world-class physics education and training.

#### **Unlocking capability**

We want to ensure the UK and Ireland are able to realise the full societal and economic benefits of the new industrial era.

#### **Public dialogue**

We want to show the impact of physics on people's lives, to enable informed public debate on funding and policy.



To meet these challenges, we have six aspirations for the changed world we want to see at the end of the strategy period. This is a broad and ambitious strategy and our aspirations are also ambitious.

1. Every secondary school pupil in the UK and Ireland will have access to a specialist physics teacher.
2. Girls will make up at least 30% of those taking physics at age 16-19 and there will be double the current number of young people from black and minority ethnic and lower socio-economic backgrounds.
3. There will be clear roadmaps and funding commitments from the UK and Irish Governments that propel research and development investment towards the Organisation for Economic Co-operation and Development average of 2.4% of gross domestic product.
4. Double the current number of people will be employed in technical roles in physics-based and engineering businesses and the number of those on physics-based science apprenticeships will have increased by a factor of 100.
5. Our publishing services to the worldwide physics community will have further improved such that the number of scientists publishing their research in our journals will grow by 25%.
6. 10% of the population will have a meaningful engagement with a physics-based public event and 1% will have sustained contact with physics.

Throughout 2021, we continued to implement our programmes of work to implement the strategy. Throughout this review, we describe the impact our programmes enabled us to deliver in 2021.

## Supporting young people to change the world by continuing physics beyond the age of 16

The message behind our Limit Less campaign is simple: we believe there are no limits to what can be achieved with physics, or who should do it.

But too many young people are put off by misconceived ideas about physics or are denied the opportunity to study physics because of prejudice and stereotypes. So, throughout 2021, we kept spreading our campaign message and encouraging young people to change the world and fulfil their potential through physics.

Our 2021 Limit Less Careers Week included online panel discussions on climate change, physics in medicine, and robotics and artificial intelligence. Led by 33 physicists from around the world and from a wide range of backgrounds, the sessions were designed to showcase the many career options physics opens up. A total of 885 students and teachers from 74 schools attended the events, hearing about everything from life as an oceanographer on a North Sea trawler to the intricacies of building robots.

We also published a range of reports entitled Teaching Without Limits, which explore the stereotypes and barriers students face in schools across the UK and Ireland, including at primary schools.

The reports explain that girls, young people from disadvantaged backgrounds, disabled young people, LGBT+ young people and young people of Black Caribbean descent are less likely to do physics and more likely to face a hostile environment when they do. To help overcome this, the reports encourage schools to sign up to the IOP's ten-point manifesto for change, and to ensure that whole school communities – including parents, carers, students, staff and teachers – are focused on inclusion and equity. The feedback from these reports has been overwhelmingly positive, and they will now form the basis of our engagement to spread the Limit Less message in schools.

As we looked to introduce physics to the widest possible audience, we also took to TikTok in 2021, with instant success. We teamed up with social media influencers to make short films showing, for example, why physics makes it possible to stand on open boxes of eggs without the eggs cracking. The films were watched over 700,000 times, spreading the message around the world that physics is for everyone.

And we formed partnerships far beyond the world of physics: with the National Literacy Trust, for example, and the Founders4Schools charity. It was one more way we worked to make sure as many young people as possible understood that they can change the world through physics.

### **Building a diverse, thriving and effective physics community**

Progress in physics is led by teams of dedicated people working together, and we will only solve the biggest challenges we face as a society if those teams are bursting with diverse opinions, diverse experiences and diverse perspectives. To that end, we worked with unprecedented ambition in 2021 to overcome barriers to inclusion, while also redoubling our efforts to ensure that everyone, regardless of their background, has access to world-class physics education and training. At the same time, we focused on inspiring the wider physics community – and supported our tireless members to do the same, even as COVID-19 continued to affect our lives.

#### **Inclusion**

Looking to make physics a welcoming, supportive and fair place for everyone, we published a new guide outlining the importance of equality, diversity and inclusion (EDI). In it, we made the moral, legal and economic case for EDI and suggested ways to make organisations more diverse. These included, for example, actively seeking out different points of view, using unbiased and gender-neutral language, and creating a safe environment for people to speak up and challenge others.

We looked to influence the approach to EDI in Europe too, hosting a workshop with the European Physical Society to help physics organisations across the continent create codes of conduct that help create more inclusive

and equitable working cultures. The event was attended by delegates from 19 countries.

And in England, we ensured the future of our Inclusion in Schools project by subcontracting its delivery to the Association for Science Education (ASE). The project aims to significantly increase the number of students from under-represented backgrounds who continue to study physics beyond the age of 16. Partnering with the ASE in this way reflects our ambition to move away from service delivery and to collaborate more with others as we strive to achieve wider change.

With help from a benefactor, we established a programme of encouraging, supporting and mentoring sixth form students from under-represented groups to apply and prepare for undergraduate physics courses. The philosophy and shape of the programme have since been picked up by the UK Government as part of their Levelling Up agenda, with funding of £8m.

#### **Awards**

Through our prestigious annual IOP Awards, we worked to ensure people from all parts of the physics community had a fair chance of being recognised for their achievements. In recent years, we expanded the Awards to celebrate those working in industry and business, as well as technicians, businesses and people who take physics to their wider communities. In 2021, we made it possible for the first time for people to self-nominate for nearly all of our awards. It was the latest step in our efforts to reward excellence everywhere in physics.

In total, we received 234 nominations for the 2021 IOP Awards and presented 61 prizes. We also began asking nominees for data on ethnicity, sexual orientation, age, gender identity and socioeconomic background, as we sought to keep building an accurate picture of the make-up of the physics community.

And we marked the tenth anniversary of the IOP Business Awards, again recognising the huge contribution that physicists and physics make to industry. More than 70 companies have now been celebrated in this way, with the 2021 winners' fields spanning quantum technologies, photonics, artificial intelligence and more.

## Events

As ever, our Special Interest Groups, Nations and Branches went to great lengths to stimulate and support a high-performing physics sector in 2021. Together, we delivered a pioneering programme of member-led events and activities for members and the wider community, despite the challenges presented by the pandemic. The IOP conferences team supported the delivery of 124 events – close to double the total of 64 in 2020 – and these were attended by nearly 17,500 people, compared with just under 11,000 in 2020. In 2019, the team supported the delivery of 78 events, attended by 4,973 people.

Highlights included the member-led Physics and the Green Economy conference. Held immediately after the COP26 climate conference in November, the event examined one vital question: how can physics and physicists create a thriving, low-carbon, environmentally friendly and socially inclusive economy? With over 250 people registered and nearly 60 speakers, it was one of an increasing number of blended events, with delegates able to choose to attend plenary sessions and panel discussions online or in person.

## Teaching of physics

Another central element of our work in 2021 involved ensuring that physics teaching is an urgent priority. A critical skills deficit continues to exist, with serious shortages of teachers with a science background in primary schools and a lack of specialist physics teachers in secondary and further education. Ongoing professional development for teachers is also inconsistent and inadequate. We continued to respond to this major challenge in multiple ways.

In late 2020 we published *Subjects Matter*, which urged policy makers across the UK to 'level up' student learning outcomes by backing a new subject-specific programme of support and professional development for teachers. This major piece of work was born of collaboration, with contributions from over 50 educational organisations, and in 2021 it had significant impact at the Department for Education (DfE) in England. It has become a reference point for planning the future of science continuous professional development (CPD) and the DfE has since restructured its programmes of

subject-specific CPD in the sciences with a major invitation to tender for a large, integrated programme of support in which they have encouraged bidders to adopt the systematic approach outlined in *Subjects Matter*.

We continued our wide-ranging efforts to improve the provision of physics education and training. This included establishing new retraining courses for biology and chemistry teachers who teach physics, as well as exploring ways to recruit physics teachers from new areas, such as the engineering sector. And in another example of our shift towards influence, we also subcontracted the delivery of our Stimulating Physics Network to STEM Learning in 2021. This will ensure the continued success of this programme, which aims to increase the number of pupils progressing to A level physics, while also enabling us to broaden our work to keep building a diverse, thriving and effective physics community.

## Policy

Finally, we responded to the inquiry into equity in the UK STEM workforce carried out by the All Party Parliamentary Group on Diversity and Inclusion in STEM. Our response highlighted that there continue to be too few women, too few Black people, especially of Black Caribbean descent, too few people with disabilities, too few LGBT+ people, and too few people from less well off or disadvantaged backgrounds working in physics. The diversity of thought that makes for better physics is currently narrower than it both could, and should, be. We made a number of recommendations to improve this, from encouraging the physics community to collect data on diversity, so that we can monitor progress within the sectors, to creating a more inclusive environment, for example by ensuring young people have access to a specialist physics teacher.

And we also responded to a number of consultations and reviews in the area of education reform, to ensure any changes would not disproportionately impact students from under-represented groups, and that students from all backgrounds have access to high quality education in physics, and attractive options to build on that education. This included: submitting

our views to DfE's review of post-16 qualifications at level 3; submitting our views to DfE's post-qualification admissions reform; and responding to the joint DfE and Ofqual consultation on alternative arrangements for Summer exams.

### **Unlocking the full value of physics to society and the economy**

One of the three key challenges identified in our current strategy – along with increasing diversity and skills and inspiring public dialogue – is unlocking the capability of the UK and Ireland to realise all of the benefits that physics can offer. In 2021, we took on this challenge by undertaking a range of landmark research studies. Together, they helped build an extensive and up-to-date picture of the physics landscape in the UK and Ireland. This gives us the insight we need to push for clear roadmaps and funding commitments from both countries' governments, to ensure research and development (R&D) investment increases to reach 2.4% of GDP.

To understand more about companies that use physics innovation in their work, we commissioned CBI Economics to survey physics-based businesses. We wanted to understand the level of innovation taking place, the challenges experienced by businesses and the opportunities to increase innovation and investment. The resulting report – Paradigm Shift – showed that while R&D is a strategic priority for the vast majority of physics-based businesses, it involves numerous challenges. Companies highlighted the need for more early-stage funding, more long-term funding and more specialist facilities, as well as highlighting the serious risks presented by skills shortages.

We also commissioned research to measure the value of physics-based industries in the UK. These reports will stretch back two decades and provide us with up to date insights on the contribution of physics-based industries to the economy, employment and R&D investment.

The third focus area for our 2021 research was on workforce skills. We commissioned Emsi Burning Glass to provide a new level of understanding into current physics-related skills in the UK and Ireland and to explore future demand for skills. The first

summary report is focused on current skills and was published at the start of 2022. Emerging findings already highlighted significant unmet demand for physics skills, coupled with a strong, sustained growth in the need for these skills.

The in-depth and wide-ranging insights this research has provided into innovation, the economic role of physics and the state of the physics workforce will now guide our work to influence government policy in 2022 and beyond. The emerging findings were already used to inform our submission to HM Treasury ahead of the 2021 Comprehensive Spending Review. By evidencing how investment in physics is a catalyst for innovation and growth, we called on Government to unlock the resources needed to unleash a new wave of innovation and make sure everyone in every part of the UK can realise the full benefits of the societal and economic revolution and recovery that science can deliver. Despite the challenging fiscal situation, the package of spending announced by the Government was broadly welcomed by the science community, including the IOP. In particular, Treasury's continued commitment to achieving annual investment of 2.4% of GDP in R&D by 2027, was seen as a positive outcome, although it is disappointing that the £22 billion public R&D investment target was delayed from 2024-25 to 2026-27.

We have a strong focus and track record in building international cooperation, and we were also awarded £160,000 by the Department for Business, Energy and Industrial Strategy in 2021. The funding is intended to help increase physics research partnerships between the UK and five countries in Africa. These partnerships will only increase the impact of physics on the UK economy.

### **Showing the impact of physics and inspiring informed public debate**

One of our aspirations is that, by 2024, 10% of the population will have a meaningful engagement with a physics-based public event and 1% will have sustained contact with physics. In 2021, we moved closer to achieving that goal using the power of podcasts and by starting conversations in communities.

We released the second series of our podcast, Looking Glass, in July 2021. Entitled 'A Green Future', the series focuses on the climate crisis and how physics can help power a new green economy. Episodes have been downloaded over 41,000 times – twice the total for the first series – and in 50 countries. The majority of downloads have come from fans of political, social and historical podcasts, which suggests we are succeeding in our goal to reach audiences beyond the physics community.

Meanwhile, our pilot project Communities in Conversations brought together physicists and community groups to share ideas and discuss the role of physics in everyday life. We are running the pilot together with Belong, the cohesion and integration network, and the first conversations were held with the Women's Blether Group in Glasgow. After four sessions in a local community centre and one at Whitelee Windfarm, south of Glasgow, the women's group members and the scientists both said they had developed a fresh outlook on the impact of physics. Similar conversations are now booked for Rochdale and Coventry in 2022, with plans to extend into Wales and Ireland too.

We also launched a range of public engagement activities with our local community in 2021. As part of the 11 by 11 cultural scheme run by Islington Borough Council, we spent a full week running activities in a local school focused on the cities of the future. And our winter activity pack, complete with snowball slingshot experiment, was launched to help local primary age children amid concerns about education suffering during the pandemic. Both activities had strong links to our Limit Less campaign, as we worked in all kinds of ways to help young people fulfil their potential through physics.

### **Becoming a stronger organisation to deliver on our strategy**

As we seek to fulfil the ambitions of our strategy and achieve impact on a greater scale than ever, we must continue to modernise and adapt our own working practices. In 2021, this included benchmarking our commitment to diversity, moving towards a far more flexible working model and transforming the technology and systems we rely on to work efficiently.

In August, we were awarded Juno Practitioner status in recognition of our commitment to gender equality. This status forms part of Project Juno, the award scheme we set up to recognise university physics departments and schools of physics that take action at all levels to address gender equality and foster a more inclusive working environment.

It was one of many ways we worked to ensure the IOP continued to become more welcoming and supportive to people from all backgrounds in 2021. The IOP Council also appointed Professor Helen Gleeson to the new role of Representative to Council for Inclusion and Diversity. And we participated in the Royal Academy of Engineering's Diversity and Inclusion Progression Framework benchmarking exercise. This will enable us to understand where we are successfully removing barriers to inclusion and where we need to do more.

Also during 2021, we launched a new project, The Future of Work, that is already transforming everyday life at the IOP. Following consultation across the organisation to identify how people now want to work, all IOP staff are able to work from any location and to choose their own working hours. It is an approach centred on flexibility, empowerment and trust, and one that reflects our commitment to innovation and to working in new ways to achieve more. We began putting the necessary support and infrastructure in place in 2021 and will continue to learn and implement this new way of working throughout 2022.

Being able to operate in this way depends on effective technology, and in 2021 we also improved and updated many of our core systems. This included cleaning all of the data in our customer relationship management system and significantly upgrading its functionality, both of which mean we can now engage with our members and stakeholders more effectively. We also moved much of our IT infrastructure into the cloud. As well as supporting our new flexible working model, this aligns with our ambition to drive 20% efficiencies in our business operations by 2024. It is an exciting time of rapid evolution for the IOP, and we will continue to unlock our own potential as we strive to meet our strategic ambitions.

## The IOP Challenge Fund

To underline our own commitment to help resolve some of the world's most acute challenges through physics, we launched our £10m IOP Challenge Fund in 2020.

Through this significant commitment, we want to identify and support plans and initiatives with partners who share our ambition and sense of urgency. Formed using part of our operating budget that has now been turned into a competitive funding stream, the initiative will enable the IOP to offer grants, award contracts, work with partners and invest in organisations ready to accelerate large-scale change.

In 2021 we received and reviewed concept notes from organisations and consortia in response to calls for proposals on the implementation of our strategy, the development of a leadership commission for physics, innovative digital careers information and responding to the impacts of COVID-19 on the physics community. During the year we worked with several prospective partners to develop their ideas. We announced the first funding awards in 2022.

## Supporting our members

As a professional body and membership organisation, it's up to us to help our members move physics forward, and to provide the support that fosters a more diverse, inclusive community with the skills to drive progress in our economy and our society.

This work takes many forms. In 2021, for example, it ranged from teaming up with the Royal Society of Chemistry to jointly organise the National Conference for Science Technicians, to our Benevolent Fund providing grants to physics PhD students who had lost income due to reductions in teaching during the COVID-19 lockdown. We engaged with members, including four fellows and three previous IOP technician and apprentice award winners, in a roundtable to help validate the scope of future technical skills work. We also supported a team of students who claimed first and third prizes in the international PLANCKS competition. It's our role both to inspire the entire physics community and to ensure the community can continue to thrive.

We also launched a new engagement programme in 2021 to increase collaboration between our members and our vice-presidents. As part of this initiative, our Vice-President for Education and Skills, travelled to Exeter in November with our Deputy Chief Executive. They visited the physics

department at the city's university to meet PhD students, joined a discussion on skills and career development at the Met Office, talked to teachers at a local school and met with members and students at the IOP's Festival of Physics at the University of Exeter. Visits like these are pivotal in helping us understand what matters most to our members, and more are planned for 2022.

During the year, we organised a series of webinars for students and early career members on topics including wellbeing and transferable skills. Feedback was very positive. We continued to maintain our COVID-19 information hub for members signposting to advice and information during this period. Our 2021 retention rate of 94% is testament to the loyalty of our members.

In response to feedback from members, we also began the process of improving the digital user experience for members in 2021. Our plans include integrating the membership website into the main IOP site and making it easier for members to access their accounts and member benefits and to make payments. We began in 2021 by shifting to a more user-friendly Quick Pay system for membership payments. Our next step, in 2022, is to partner with a digital agency to identify exactly how the digital experience needs to improve and then to put the right changes in place.

## Our commitment to sustainability

In the year that the UK hosted the COP26 summit in Glasgow, we made a strong statement about our environmental responsibilities: committing to achieve net zero by 2030 and publishing a revised Environmental Statement. We also focused on our direct impact on the climate, beginning to measure our carbon footprint and putting measures in place to reduce it now and in the coming years. As plans are developed, we will consider the full impact on the financial statements.

Looking beyond our own organisation's role, we joined national physical societies from around the world in issuing a joint statement to work with global governments to tackle the climate crisis and bring about a new green economy: [iop.org/strategy/physics-climate-change-sustainability/global-green-economy](https://iop.org/strategy/physics-climate-change-sustainability/global-green-economy). The innovation and commitment this will require was explored in detail at our Physics and the Green Economy conference (see page 7), and we also engaged with young people at The Big Bounce event in Glasgow to discuss what scientists are already doing to reduce the worst impacts of climate change.

IOP Publishing Limited (IOPP), meanwhile, continued to fulfil its own commitment to a sustainable future throughout 2021. In May it signed up to the Publishers Compact, which aims to accelerate progress towards the Sustainable Development Goals (SDGs). It then backed up its pledge by bringing together its SDG-related content in an online Sustainability Collection.

IOPP also joined the DIMPACT project in 2021 to track its digital carbon impact. It became part of the Climate Change Knowledge Cooperative – a collaboration of leading academic publishers that publish simple summaries of climate change science. And it joined Publishing Declares, the publishing industry's first declaration on climate action.

## IOP Publishing Limited (IOPP)

IOPP is a wholly-owned subsidiary of the IOP and a leading international scientific publisher. It works to expand the world of physics, providing impact, recognition and value for the scientific community and supporting more open access to scientific knowledge.

In 2021, 26% of its journal articles and all of its conference proceedings content were published on an open access basis. It increased its open access journal portfolio with the addition of new journals focused on environmental research and supported the American Astronomical Society as it made its own journal collection open access. It also introduced a new policy to encourage the sharing of data through data availability statements, which is now a requirement across its journals. Transformative agreements (TAs) continued to be the most sustainable vehicle in

the transition to open access. During the year it secured another five TAs, reaching agreements with 242 institutions in 14 countries.

In support of greater global equity and inclusion in publishing, researchers from low-income countries can now publish open access for free in any of its fully open access or hybrid open access journals. It waived £1.2m of article publication charges for open access articles across 64 countries. In April, it implemented a new name change policy to enable authors to change their name on previously published research.

With the need for rigorous peer review remaining as important as ever, IOPP continued its focus on improving the quality and efficiency of the process and offering more support to reviewers. It expanded access to its peer review excellence programme for researchers globally with the launch of a state-of-the-art peer review eLearning hub. It also continued to roll out double-anonymous peer review across its entire journal portfolio, meaning the identities of both author and reviewer are concealed. The approach reflects its commitment to increasing diversity in science and was received extremely positively.

IOPP continued to strengthen connections across the globe through a range of initiatives to share knowledge and collaborate. As an example (and in line with its own sustainability commitments, which are described on page 11) IOPP also arranged the inaugural Environmental Research virtual conference in 2021. Held over five days in November, it brought together leading environmental scientists from around the world to share knowledge and address many of the most important challenges facing our planet today.



# Plans for 2022

**This year sees us reach the mid-point of our five-year strategy. We have already laid significant foundations to help achieve our strategic goals. And, as we move into 2022, and as the impact of COVID-19 on our work hopefully recedes, we will continue to build on the momentum we have created. With our unique capacity to convene key players from education, academia, industry and government, we will achieve lasting impact for the future of physics, for the physicists we represent and for our economies and communities.**

We are committed to being flexible and agile across all of our work, giving us the ability to test new approaches, gather evidence and respond rapidly to what we find. This approach will shape our organisational priorities for 2022 which will include:

- Working with our members and networks to influence and shape the most pressing debates in physics
- Improving our engagement with members and supporting our community to thrive
- Developing an increased number of strategic partnerships to further bolster our influencing work
- Driving 20% efficiencies across our business operations
- Strengthening the structure of our teams and providing exceptional development for our people.

Following the UK Spending Review and COP26 in 2021, we are continuing to work with the trustees to finalise and deliver on our Net Zero plan and activities. **The 2022 UK Autumn Budget will be a key moment**, and we will work closely with partners in government and in the community in the run-up, to help shape the narrative and advance priorities.

2022 will see us launch a major new programme of research and engagement to provide clear evidence of where investment in R&D has the most benefit, in areas ranging from tax policy to infrastructure spending and boosting skills. Building on the work we started last year, it will identify the barriers to commercial exploitation of scientific breakthroughs and recommend interventions to tackle them. We will consult with our members, experts and partners in an independent process overseen by a steering group of leaders in physics, both academic and commercial. We are also working with the Department for Business, Energy and Industrial Strategy to help ensure the voice of the physics community informs their new national strategy for quantum technologies.

As we **support young people to change the world by continuing physics beyond the age of 16**, our work is likely to range from political lobbying to puncturing stereotypes. Initial plans include building political pressure for increased recruitment of physics teachers, promotion of our social media and journalism guidelines to help challenge misconceptions about physics, and the recruitment of IOP members and other physicists to act as ambassadors for our Limit Less campaign. Last year's TikTok campaign helped demonstrate our message that 'physics is for everyone' and that it is relevant to all our lives – and we will build on this work in 2022.

As we seek to **show the impact of physics and inspire informed public debate**, we are already planning a third series of our Looking Glass podcast, focused on young people's climate concerns. We are also looking to continue our Communities in Conversations initiative in more locations across England and Wales. And, following the success of our Moon Adventure activities for families in 2019, we will launch another family-focused exhibition, this time focused on the role young people can play in shaping a safe, more sustainable and healthier world.

Lastly, we will redouble our efforts to **become a stronger organisation to deliver on our strategy**. We will continue to put the findings of our Future of Work consultation into practice, for example, while also enhancing both our equality, diversity and inclusion training and our development programmes for our staff. Our members are at the heart of everything we do, and we will continue our programme of improvements to enhance their experience of the IOP, from a significant programme of digital development, launching new web pages that bring together all our conferences and events, and of course working closely with our Council's Member Reference Group.

By working in all of these ways and many more, we will move ever closer to meeting the aspirations set out in *Unlocking the Future* – and rising to the strategic challenges and opportunities that guide all of our work.

## Ukraine

On 3 March 2022 we issued a statement condemning the Russian invasion of Ukraine without reservation, stating: "Russia's actions are a violation of one of the most fundamental norms of international law that prohibit the use or threat of force by one state against another."

We have agreed to provide matched funding alongside the Benevolent Fund of up to £100,000 to provide support to professional physicists suffering hardship as a result of the war. IOP Publishing has given individuals from Ukraine affiliated with Ukrainian institutions free access to all scientific research that we

publish. We have also waived Article Publishing Charges for corresponding authors based in Ukraine to enable them to publish open access for free in any of our journals.

IOPP has also ceased all new sales of products and marketing to Russian/Belarusian institutions and paused the commissioning of new content from Russian/Belarusian institutions and conferences. As set out in the Group Corporate Structure section of this report, IOPP has two subsidiaries that are incorporated in Russia. At the time of publication of this report, it is keeping its relationships with Russian / Belarusian institutions under review.

# Structure, Governance and Management Constitution

## Constitution and Governing Document

Tracing its roots back to 1874 and the Physical Society of London, but originally incorporated in 1920, the IOP as currently constituted was established by Royal Charter (as subsequently amended) on 30 September 1970. This Royal Charter, which is supplemented by Bylaws and Regulations, is the IOP's governing document.

## Registered Details

The IOP's registered name is the Institute of Physics. Its principal office address is 37 Caledonian Road, London N1 9BU.

The IOP is a charity registered in both England and Wales (no. 293851) and in Scotland (no. SC040092), and is therefore regulated by both the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator. The Charity Commission for England and Wales is the IOP's lead regulator.

The IOP has applied for registration as a charity in the Republic of Ireland and has submitted an Expression of Intent for registration as a charity in Northern Ireland.

## Professional Advisers

Details of the IOP's professional advisers are as follows:

### Independent Auditors

PricewaterhouseCoopers LLP, 2 Glass Wharf, Bristol BS2 0FR

### Investment Advisers

Lane Clark & Peacock LLP, 95 Wigmore Street, London W1U 1DQ

### Tax advisers

Deloitte LLP, 3 Rivergate, Temple Quay, Bristol BS1 6GD

### Solicitors

Eversheds, 1 Callaghan Square, Cardiff CF10 5BT

The IOP does not, however, have a sole appointed solicitor or formal panel of solicitors.

## Annual General Meeting

Each year the IOP holds an Annual General Meeting, the rules of which are set out in the Bylaws and Regulations, at which all members are entitled to attend and vote. Membership fees, any changes to the Bylaws and the appointment of the auditors are approved by the membership at the Annual General Meeting.

## The Council (Board of Trustees)

As set out in the Royal Charter, the IOP is governed by its Council. This consists of trustees elected from, and by, the membership, and up to three co-opted trustees who are appointed by the Council itself.

All members of the Council are also the trustees of the IOP. The Council has the ultimate responsibility for directing the affairs of the IOP, ensuring that it is solvent, well-run and delivering the charitable outcomes for the benefit of the public for which it has been

established. The Council sets and monitors the IOP's strategy which delivers these charitable outcomes.

Of the elected Council members, there are four senior officers and currently four vice-presidents. The senior officers are the President, President-elect, Honorary Secretary and Honorary Treasurer. The current four vice-presidents are for Business, Education and Skills, Membership, and Science and Innovation. There are ten additional elected Council members.

Co-opted Council members are appointed as required to cover areas of specific expertise.

There are currently nineteen members of the IOP Council (including one co-opted member).

The Council has also appointed a representative to advise it on equality, diversity and inclusion matters. Such appointee is not a trustee or member of Council.

The Council currently meets four times per year. All Council members give their time voluntarily and are not remunerated for their work on behalf of the IOP beyond the reimbursement of reasonable expenses.

## **Elections to Council**

The rules governing the election of Council members are set out in the Bylaws. At the start of each year, the number of vacancies that will arise that year is identified. With delegated powers from the Council, the Nominations Committee then evaluates the balance of skills, knowledge, experience and diversity of Council members and, in the light of that evaluation, prepares a description of the role and capabilities required for each particular vacancy on the Council. A notice of vacancies, along with role descriptions, is published and members are able to nominate themselves.

The Nominations Committee then assesses the nominations received from members to confirm eligibility and that candidates meet the requirements laid out in the role descriptions. Where there is more than one nomination

for any vacancy a ballot takes place. Where there is only one nomination for any vacancy, that nominee is deemed elected, assuming they meet the eligibility and role description requirements.

Council members generally serve one four-year term. Exceptions to this are the President who serves a two-year term plus two years immediately preceding that as President-elect, and the Honorary Treasurer and Honorary Secretary who are eligible to stand for election for a second four-year term. Co-opted members are appointed annually for a maximum term of three years.

## **Induction and Training of Trustees**

Formal induction is given to all new trustees, who are invited to attend meetings with IOP staff as part of the induction process. Training is also provided to trustees during their term of office.

## **Conflicts of Interest**

Trustees have a duty to declare conflicts of interest so that they can ensure that at all times they are taking decisions that are in the best interests of the IOP.

The IOP maintains a register of trustees' interests, which is updated annually by trustees and as any changes are reported.

Procedures are in place for managing conflicts of interest that may arise during Council meetings.

## Details of Trustees

Details of the trustees at the date of this Report are as follows. There are no corporate trustees or trustees holding property for the IOP.

Role	Name	Appointment Date	Retirement Date
President	Professor Sheila Rowan CBE FRS FRSE Hon. FInstP	1 October 2021 <sup>1</sup>	30 September 2023
President-elect	Professor Sir Keith Burnett CBE FRS FInstP FLSW	1 October 2021	30 September 2023 <sup>2</sup>
Honorary Secretary	Professor Alison McMillan FInstP FIMechE FHEA CPhys CEng	1 October 2021	30 September 2025 <sup>3</sup>
Honorary Treasurer	Professor David Delpy CBE FRS FEng FMedSci FInstP CPhys	1 October 2019	30 September 2023 <sup>4</sup>
Vice-President for Business	Dr John Bagshaw FRAeS FInstP CEng CPhys	1 October 2020	30 September 2024
Vice-President for Education and Skills	Dr Lisa Jardine-Wright FInstP CPhys	1 October 2020	30 September 2024
Vice-President for Membership	Dr Elizabeth Cunningham MInstP FRAS	1 October 2021	30 September 2025
Vice-President for Science & Innovation	Professor Martin Freer FInstP	1 October 2019	30 September 2023
Ordinary Member	Dr Tariq Ali FInstP FRAS CPhys	1 October 2018	30 September 2022
	Rosalie Benjamin MInstP	1 October 2021	30 September 2025
	Professor Philip Burrows FInstP CPhys	1 October 2021	30 September 2025
	Dr Gayle Calverley-Miles MInstP MBCS MIScT CSci CPhys	1 October 2019	30 September 2023
	Dr Tamara Cleford FInstP CEng CPhys	1 October 2018	30 September 2022
	Professor John Dainton FRS FInstP FRSA CPhys	1 October 2021	30 September 2025
	Professor Claudia Eberlein FInstP CPhys	1 October 2020	30 September 2024
	Professor Martin Hendry MBE FRSE FInstP	1 October 2019	30 September 2023
	Dr Alix Pryde FInstP	1 October 2019	30 September 2023
Jane Weir MInstP CSci CPhys	1 October 2021	30 September 2025	
Co-opted Member	Professor David Riley FInstP	1 October 2021	30 September 2022 <sup>5</sup>

1 Was President-elect from 1 Oct 2019 to 30 Sep 2021

2 To be President from 1 Oct 2023 to 30 Sep 2025

3 Eligible to stand for election for a second term

4 Eligible to stand for election for a second term

5 Eligible for re-appointment up to a maximum term of three years.

Details of the trustees during the reporting period but who have now retired are as follows:

Role	Name	Appointment Date	Retirement Date
President	Jonathan Flint CBE FREng FInstP	1 October 2019 <sup>1</sup>	30 September 2021
Honorary Secretary	Professor Brian Fulton FInstP CPhys	1 October 2017	30 September 2021
Vice-President for Membership	Dr Mark Telling FInstP CPhys	1 October 2017	30 September 2021
Ordinary Member	Dr David Boyce FInstP CPhys	1 October 2018	1 June 2021
Ordinary Member	Professor Wendy Flavell FInstP CPhys	1 October 2017	30 September 2021
Ordinary Member	Dr June McCombie MBE FInstP FRAS FRSC CPhys	1 October 2017	30 September 2021
Ordinary Member	Professor Anne Tropper FInstP FOSA CPhys	1 October 2017	30 September 2021
Co-opted Member	Dr Peter van der Burgt FInstP CPhys	2 May 2019	30 September 2021

1 Was President-elect from 1 October 2017 to 30 September 2019

## Bylaws

In 2022 we have also commenced a review of our Bylaws to ensure they remain robust, reflect best practice and are appropriate for the IOP as it moves forward with its strategy. More information on this will be included in the Annual Report and Financial Statements for the year ending 31 December 2022.

## Decision-making and delegations

Key strategic decisions affecting the IOP are made by Council but, in the interests of good governance and efficient management, it delegates consideration of matters in specialist areas to its standing committees under agreed terms of reference for those committees. It also delegates powers for executive and management decisions through the Regulations, agreed Annual Budget and Delegations of Authority Matrix. Details of the committees and senior management team are provided on the following pages.

## Committees

The Council has a number of committees with delegated powers, thus ensuring that the required time and attention is applied to overseeing specific areas of interest. The terms of reference, delegated powers and membership of these committees are set by the Council. Committee membership is not limited to Council members, thus allowing for both wider representation from the membership and receipt of specialist external advice where appropriate.

The formal governance committees as at 31 December 2021 are set out on the following page and are marked in red.

### Council's Member Reference Group

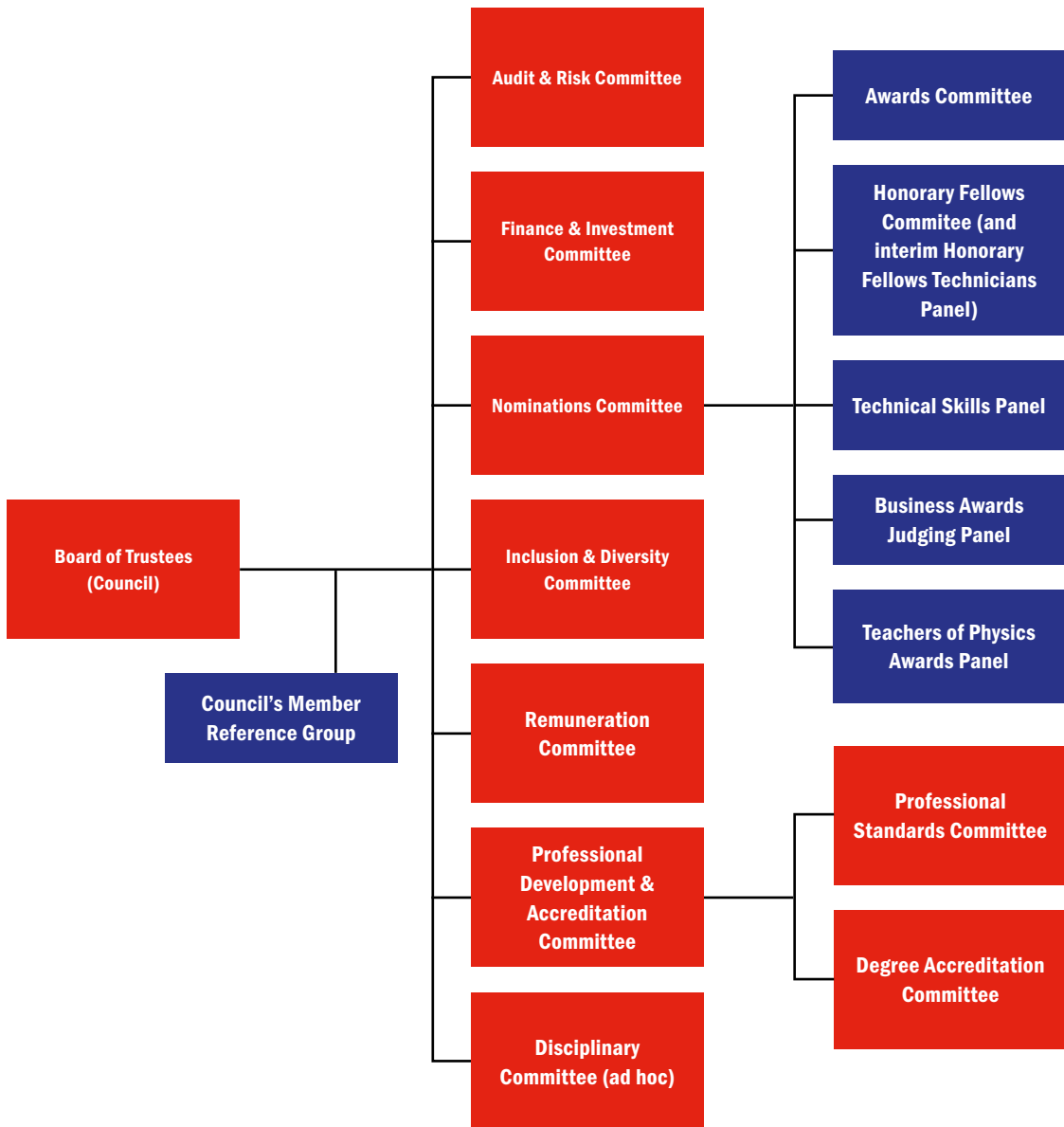
Following a review of governance in 2021, Council agreed to the formation of a Council's Member Reference Group (CMRG).

With a direct link into Council, the CMRG will bring experience and input to the IOP's approach to supporting and maximising member engagement, and to growing the membership to reflect the diversity of the physics community. It will also provide

Council with support in fulfilling its trustee role and responsibilities by sharing the views and experiences of IOP members to inform decision-making.

In order to ensure that we are reflecting the diversity of members, including the protected characteristics recognised under the Equality Act 2010 and our geographic spread across the Nations, Council-selected existing Groups will nominate the CMRG's members.

### IOP Council and Committee Structure



Formal governance committees are shown in red.



## Executive Management

The day-to-day management of the IOP Group and its activities is delegated to the Group Chief Executive Officer, supported by an executive management team.

The day-to-day management of publishing activities is delegated to the Chief Executive of IOP Publishing Limited (prior to 8 March 2021, this role was titled Managing Director of IOP Publishing Limited). IOP Publishing Limited has its own board of directors and a number of subsidiary undertakings that support the delivery of the publishing programme.

The Group Executive Management Team in 2021 and to the date of this report was:

Role	Name
Group Chief Executive Officer	Professor Paul Hardaker FInstP FRMetS CMet
Group Chief Financial Officer	Sukhraj Dhadwar FCCA (from 4 August 2021). The position was vacant from 1 January 2021 to such appointment.
Deputy Chief Executive, IOP	Rachel Youngman
Director of Policy & Public Affairs, IOP	Tony McBride
Director of Science, Innovation and Skills, IOP	Louis Barson (from 5 April 2021)
Managing Director, IOP Publishing Limited	Steven Hall (retired 5 March 2021)
Chief Executive, IOP Publishing Limited	Antonia Seymour (from 8 March 2021, previously Publishing Director)

In January 2022, it was announced that Tom Grinyer would be joining the IOP as the new Group Chief Executive Officer following Professor Paul Hardaker's announcement that he would be standing down. This appointment will start on 6 June 2022.

### Remuneration of the Group Executive Management Team

The pay and remuneration of the Group Executive Management Team is set and monitored on behalf of Council by the Remuneration Committee. The Committee comprises the President, President-elect, Honorary Secretary, Honorary Treasurer, and separately appointed external advisors. The Committee commissions, each year, relevant external benchmarking information from both the publishing and charity sector to support its decision-making, and, when necessary, takes additional advice from specialist organisations.

Please see note 10 to the Financial Statements for further information.

## Governance Review

In 2020 and 2021, the IOP undertook a comprehensive review and consultation with its members and the wider physics community of its governance and membership engagement arrangements. This was with a view to ensuring that, as it moves into its second century, it is, and remains, a modern, well governed, and responsive organisation which continues to serve the public and satisfy its charitable objectives as well as being one of which its members can be proud and where they can be engaged and have a voice on its future direction.

This has led to a number of changes to its governance structures which are summarised below, the majority of which were effective from 1 October 2021:

- a review and refresh of its committee terms of reference;

- the introduction of a new Finance and Investment Committee, in replacement of the former Resources Committee;
- the replacement of the Senior Officers' Committee with a separate pre-Council planning meeting;
- the creation of a Council's Member Reference Group; and
- the introduction of member advisory groups for business, education and skills, membership, and science and innovation.

### Impact of COVID-19 on IOP Governance

The IOP has coped well with the imposition of social-distancing measures arising from the COVID-19 pandemic. The full governance cycle of Council and core governance committee meetings has continued uninterrupted, with all Council and core governance committee meetings being held virtually by video conference. There has been no significant impact on the IOP's governance or controls as a result of the COVID-19 pandemic.

### Group Corporate Structure

The IOP has a number of subsidiary undertakings, as outlined below and in the structure chart on the following page.

To ensure clarity and appropriate governance, there are a number of agreements in place that define and describe the provision of intra-group services.

The main trading subsidiary undertaking of the IOP is IOP Publishing Limited (commonly known as IOPP).

IOPP is a wholly owned subsidiary of the IOP and is incorporated in England & Wales. Its principal activity is the publication and distribution of high-quality scientific journals, books, conference proceedings and magazines.

IOPP has a number of further trading subsidiary undertakings as follows:

#### IOP Publishing Consultants (Beijing) Co. Limited

IOP Publishing Consultants (Beijing) Co. Limited is a wholly owned subsidiary of IOP Publishing Limited and is incorporated in China as a wholly foreign-owned enterprise (WFOE). Its principal activity is to provide services to IOP Publishing Limited, including publishing consulting, electronic technology consulting, business consulting, market information consulting and corporate management consulting.

#### IOP Marketing and Promotion Services Private Limited

IOP Marketing and Promotion Services Private Limited is 99.99% owned by IOP Publishing Limited, with the remaining 0.01% of share capital owned by the IOP.

It is incorporated in India. Its principal activity is promotion and marketing services for IOP Publishing Limited.

#### Turpion Limited

Turpion Limited is a wholly owned subsidiary of IOP Publishing Limited and is incorporated in England and Wales. Following the transfer of its contracts with commercial partners to IOP Publishing Limited in the previous financial year, the principal activity of Turpion Limited is under review.

#### Turpion-Moscow Limited\*

Turpion-Moscow Limited is incorporated in Russia and is a wholly owned subsidiary of Turpion Limited. Its principal activity is to provide publishing services to IOP Publishing Limited.

#### IOP Publishing Moscow LLC\*

IOP Publishing Moscow LLC was incorporated in Russia on 7 September 2021. It is 99% owned by IOP Publishing Limited and 1% owned by Turpion Limited. Its principal activity is to provide publishing services to IOP Publishing Limited.

\*See note on page 15.

IOP Publishing Limited also has a branch in Japan which is non-incorporated.

The IOP also has the following trading subsidiary undertakings:

#### **IOP Publishing Inc.**

IOP Publishing Inc. is a not-for-profit corporation of which the IOP is the sole corporate member. It is incorporated in the USA. Its principal activity is to provide publishing services to IOP Publishing Limited. All such services are provided solely in support of the IOP's charitable and educational activities.

#### **IOP Business Publishing Inc.**

IOP Business Publishing Inc. is a wholly owned subsidiary of IOP Publishing Inc. and is

incorporated in the USA. Its principal activity is to provide advertising-sales services.

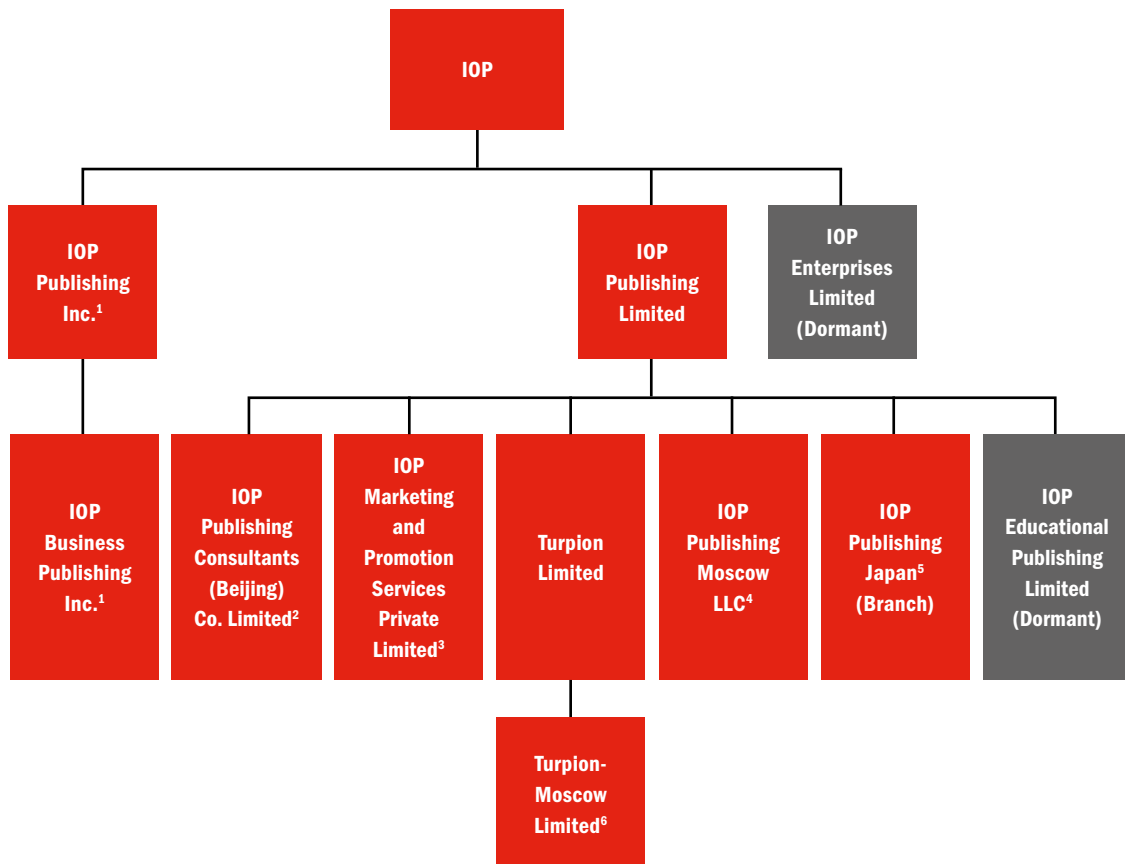
With the exception of IOP Marketing and Promotion Services Private Limited and IOP Publishing Moscow LLC, all companies are wholly owned subsidiaries of their immediate holding company.

There are two further Group subsidiary undertakings, both of which are currently dormant. These are:

#### **IOP Enterprises Limited**

#### **IOP Educational Publishing Limited**

### **IOP Group Corporate Structure**



1 Incorporated in USA

2 Incorporated in China

3 Incorporated in India (99.99% owned by IOPP and 0.01% by IOP)

4 Incorporated in Russia (99% owned by IOPP and 1% owned by Turpion Limited)

5 Japanese Branch (non-incorporated)

6 Incorporated in Russia

## Risk management

The IOP Council is responsible for ensuring that proper arrangements are in place for adequate risk management and control.

The Audit & Risk Committee provides an assurance role to Council on these matters and, amongst other things, has a remit to:

- advise Council on the IOP Group's overall risk appetite, tolerance and strategy;
- review and help to identify major areas of risk for the IOP Group and ensure processes exist to manage risk in those areas;
- keep under review the IOP Group's overall risk assessment processes that inform Council's decision making, ensuring both qualitative and quantitative metrics are used; and
- review the IOP Group's capability to identify and manage new risk types and bring to the attention of Council any areas of high risk and/or any anomalies brought to light through the audit process.

The IOP maintains a register of significant risks and maintains systems to control and manage them. The Audit & Risk Committee reviews the Risk Register, along with the plans and processes in place to manage and mitigate major risks, and then reports to Council. Council separately reviews the register on a periodic basis.

The trustees are satisfied that, whilst the pandemic has inevitably had, and will have, an impact on its activities and financial resources, the IOP remains in a strong financial position.

Specifically, Council and the Executive, supported by the IOP's COVID Management Team, continue to maintain a key focus on ensuring:

- the safety and wellbeing of the staff team and also that all key roles remain staffed, with a number of additional staff support measures having been continued in the

period including working from home DSE assessments, the provision of equipment to staff working from home where needed including chairs, desks and monitors, and an enhanced Employee Assistance Programme;

- that at all times contractual liability is mitigated, especially in relation to outstanding contracts for conferences, meetings and events;
- that at all times the IOP remains within agreed reserves limits for the investment portfolio and continues to hold a strong covenant for the defined benefit pension scheme; and
- that impacts on Gift Aid income and future cash flows are monitored on a regular basis.

It is not considered that a change to the Reserves Policy is required.

Brexit, and the end of the transition period, has posed, and will continue to pose, challenges to the physics and wider science community. However, whilst the situation continues to be monitored closely, particularly the impact on the international operations of its publishing businesses, Brexit is not considered a significant risk to the IOP itself, or its programmes of work across the Group.

In assessing the key risks identified below, the impacts of the COVID-19 pandemic and Brexit have been taken fully into account.

Risk Description	Risk Consequence	Controls, Action, Mitigation
Funders adopt Open Access policy mandates where publishers aren't compensated for their cost of publication, dissemination and investment in workflow innovation resulting in erosion of income and an unsustainable future for learned society publishers.	Material reduction in Gift Aid receipts.	Active review of strategy, Open Science credentials established, collaborations developed. Representations to policy makers and funders, engagement with funders, institutions and researchers, continued investment in open access publications, revenue diversification.
There is liability or reputational damage if the IOP or IOPP publish content that proves to be factually inaccurate or of poor scientific quality.	The IOP or IOPP's reputation as a trusted voice is damaged and/or it triggers legal action that results in reputational and financial loss.	Skilled staff with robust procedures to check, edit and sign-off material for public release, access to professional legal advice and membership of Committee on Publication Ethics (COPE), ensure robust peer review for content where possible, with appropriate procedures for independent editorial overview.
The IOP is unable to achieve funding requirements to deliver its strategy and operational business.	The IOP would be unable to support its full strategy as there would be a potential funding shortfall.	Regular review of performance of funding pipeline against target and review of range of funders and suitability of income; fundraising programme in place focusing on individual giving, trusts and foundations, competitive contracts and legacies; investments restructured to generate more of an annual income and growth from reserves; new fundraising targets set and robust five year plan in place.
There is a material IT security breach or critical IT system failure (inc. breach of digital systems).	Loss or corruption of data, unavailability of business critical applications, reputational damage, contractual breach, legal/regulatory fines, system restoration costs, productivity loss, unavailability of websites, use of IOP sites/ servers for malicious purposes.	Firewall in place with anti-virus, anti-malware and spam filters; daily backups at co-location and cloud and restoration tests for files and systems; internet and email and password policies; segregated network for staff and public; regular network audits; business continuity arrangements, regular communication with staff, greater use of software as a service, robust patch protocols, and specialist staff appointed.
The IOP is unable to attract/ retain talented staff and to adequately manage succession planning for senior managers.	Loss of business knowledge and expertise, potential reputational damage, recruitment costs, lost productivity.	Competitive reward and benefits package, excellent working environment, enhanced support for home working, HR Team strengthened, devolved decision making to encourage talent development and retention, improved systems and processes to secure corporate knowledge, active monitoring of turnover, new ways of working adopted, pay policy being reviewed.
There is a negative, inappropriate or defamatory post on an IOP social media account by an employee, IOP member or member of the public.	Reputational damage, potential liability if defamatory, impact on staff loyalty.	All relevant staff trained on use of IOP social media accounts, only dedicated staff with access to IOP corporate social media accounts, monitoring of IOP mentions on social media, agreed weekly social media schedule with escalation process, new social media policy to be launched.
There is a loss/ corruption of employee/ member or other personal data or other breach of data protection laws.	Significant regulatory fine, reputational damage.	Training of all staff undertaken; organisational policies and procedures in place; internal audit completed; internal staff expertise; specialist Compliance and Data Protection Manager appointed; strong IT controls implemented including firewalls, anti-virus, anti-malware and spam filters; and regular network audits and automatic network monitoring applied.

## Our Commitment to Equality, Diversity and Inclusion

We believe firmly in equality of opportunity for all, confronting barriers to inclusion and participation wherever we encounter them. These core values are an expression of what we believe in and how we behave as an organisation. Our programmes are founded on the principles of Equality, Diversity and Inclusion (EDI), from our organisational values and strategy, to our work in schools, with the public and in our policy initiatives. From the Council and the senior leadership through the organisation, there is a deep-seated commitment to ensuring our physics community reflects the wider diversity we see in society and the significant value that brings to physics, the workplace and to society.

This year, a new role was introduced to support Council – the Representative to Council for Inclusion and Diversity. This role chairs the Inclusion and Diversity Committee where we regularly review and evaluate how we implement our diversity initiatives. The role will also strengthen the voices of the membership to Council, providing challenge and support on EDI topics.

For the first time, we have also set out the value and importance of EDI to physics that demonstrates the business case for EDI as well as setting out what our members and the wider physics community can do to support this.

In our Annual Report last year, we said that we were committed to demonstrating best practice and undergoing the same scrutiny of standards that we expect of others, such as Project Juno, our gender equality awards scheme that recognises physics departments and organisations that can demonstrate action taken to address gender equality in physics. Our internal Equality and Diversity Action Group completed the process of submitting the IOP to the Juno principles, with the target of becoming recognised as a Juno Champion by the end of our strategy. We have achieved Juno Practitioner and are on track with our commitment to be Juno Champion.

The IOP was amongst the first signatories of the Royal Academy of Engineering Diversity Concordat and the Science Council Declaration on Diversity, Equality and Inclusion and we continue to take a visible role in delivering on our commitments. We have delivered projects and publications that continue to lead the way in spreading good practice and making a significant contribution to the body of research available to the STEM community. We recognise that we need to continue to work to remove barriers to participation in any of our activities and that we ensure the principles of EDI are embedded within them. We build partnerships to work with colleagues, members, the wider physics community and, through our campaign Limit Less, with organisations in society to ensure that all that we deliver is truly inclusive.

You can find the document setting out the importance of EDI to physics here: [iop.org/about/IOP-diversity-inclusion/importance-of-equality-diversity-physics](https://iop.org/about/IOP-diversity-inclusion/importance-of-equality-diversity-physics).

## Environmental Responsibility

The IOP recognises its environmental responsibilities and commitment to reducing environmental damage locally, nationally and globally. We are focused on four main areas of compliance: waste and energy reduction; personal responsibility; the role of physics to provide solutions; and meeting emission targets. Ultimately, we are seeking to reduce our carbon footprint from utilities and transport associated with our operations and events across the United Kingdom and Ireland to net zero.

We are also raising awareness of how activities and choices of individuals and other organisations carry an impact on the environment. We advise and support what they might consider doing to mitigate this impact. We want to lead the way and highlight what physics can do to help make buildings more efficient. Data captured on our own energy usage is shared through our education partners to help future planning and development in this field. We work with



our stakeholder organisations to influence positive environmental change and support organisations which are proactively being sustainable.

Our Environmental Statement can be found here: [iop.org/environmental-statement](http://iop.org/environmental-statement).

## Gender-Pay Gap Reporting

### The IOP

The IOP has made a commitment to addressing diversity within the physics community and we recognise that the success of our work relies on our ability to recruit, nurture and retain the richest mix of talent.

Equity, diversity and inclusion is an integral part of IOP's strategy "Unlocking the Future". In 2021, IOP was awarded Juno Practitioner and has in place mechanisms to achieve equity and diversity in the workforce. This includes job evaluation through a bias free analytical scheme as well as staff networks and a development programme. An action plan is in place to support an application for Juno Champion within the current strategic period and to draw inclusion work together under an ESG framing.

The IOP does not have a statutory requirement to report on gender pay but, as part of its commitment to gender equality, it has undertaken the assessment. The average hourly rate in April 2021 was 11.49% lower for women based on mean hourly earnings and 1.41% lower based on median hourly earnings.

The median pay gap for full-time employees in the UK is 7.9% (Office for National Statistics, 2021).

The IOP mean gender pay gap has decreased from 16.86% in 2020 to 11.49% in 2021, which is a significant and welcome improvement.

Similarly, the median gender pay gap has decreased from 6.45% in 2020 to 1.41% in 2021, further confirming the progress made.

Indeed, across the quartiles, only the Lowest Quartile has not improved, with the Upper Middle quartile actually showing a reversal of pay gaps, wherein the women are earning on average slightly more than the men.

Actions already implemented to address the previously seen imbalance in the recruitment across grades include:

- strengthening the recruitment process to more consistently use structured interviews;
- standardising advertised salaries;
- anonymising applications received through our recruitment systems; and
- briefing agencies for a more diverse candidate pool.

We recognise that further steps are needed to address this gap.

Our priority action area for 2022 is to look at the gender pay issues in specific pay grades to identify appropriate interventions to bring about long-term improvements.

More generally, we will continue to update our approach to pay and terms and conditions by:

- reviewing the IOP's pay policy;
- reviewing our policies including using demographic data from our recruitment processes to give an insight into why we are appointing a higher percentage of women than men in the lower quartiles;
- reviewing the recruitment and promotion processes to increase the use of competencies, providing greater training of interview panels around bias, and reviewing advertising methods to include neutral wordings; and
- moving to a flexible way of working for all staff, ensuring everyone has choice around their hours and place of work from day 1 of employment.

## Summary of April 2021 results – IOP

IOP	Lower	Lower Middle	Upper Middle	Upper	Across all quartiles
<b>Women</b>					
mean	£13.55	£18.94	£22.54	£31.61	£21.24
median	£13.57	£19.05	£22.67	£28.62	£20.73
number of staff	29	29	32	24	114
<b>Men</b>					
mean	£14.80	£19.08	£22.40	£35.10	£24.00
median	£14.98	£19.64	£22.55	£28.79	£21.02
number of staff	14	15	12	20	61
<b>Pay Gap</b>					
mean	8.45%	0.73%	-0.62%	9.94%	11.49%
median	9.41%	3.00%	-0.53%	0.59%	1.41%
<b>Percentage of women employees</b>	67.4%	65.9%	72.7%	54.5%	65.1%
<b>Percentage of men employees</b>	32.6%	34.1%	27.3%	45.5%	34.9%

### IOP Publishing

Within the IOP Group there is a statutory requirement for IOP Publishing Limited to make a gender pay gap declaration. In IOP Publishing, women's mean hourly wage was 12.45% lower than men's (2020: 15.91% lower than men's) while women's median hourly wage was 18.29% lower than men's (2020: 17.3% lower than men's).

We remain confident that the gender pay gap is not an indication of our paying men and women differently for equivalent work. All our roles are measured through an objective job evaluation process, salaries are benchmarked using recognised third-party sources and our pay strategy is available for all staff to view.

To ensure continued emphasis on such matters, we will be continuing to deliver our Essential Management Skills modular programme for all people managers and the focus areas for this in 2022 are inclusivity, coaching and hiring skills, which alongside our existing modules and company behaviours will, we believe, make a positive contribution to our culture and practice.

The topic of gender pay is one part of a bigger diversity, equity and inclusion strategy that is being pursued in IOP Publishing. IOP Publishing is committed to applying its compensation policies fairly and consistently and ensuring pay equity: paying staff equally for the same or equivalent work, regardless of gender, or any other characteristic, so that we can recruit, nurture and retain a good mix of talented people.

## Summary of April 2021 results – IOP Publishing

IOP Publishing	Lower	Lower Middle	Upper Middle	Upper	Across all quartiles
<b>Women</b>					
mean	£11.54	£15.38	£19.87	£35.27	£18.71
median	£12.10	£15.56	£19.51	£27.80	£16.31
number of staff	58	45	45	31	179
<b>Men</b>					
mean	£12.06	£14.69	£20.36	£31.48	£21.37
median	£12.22	£14.37	£21.29	£29.79	£19.96
number of staff	25	38	39	52	154
<b>Pay Gap</b>					
mean	4.31%	-4.69%	2.4%	-12%	12.45%
median	0.98%	-8.28%	8.36%	6.68%	18.29%
<b>Percentage of women employees</b>	70%	54%	54%	37%	54%
<b>Percentage of men employees</b>	30%	46%	46%	63%	46%

### Anti-Slavery and Human Trafficking

The IOP is committed to prohibiting modern slavery and human trafficking in any part of its business, including in all supply chains. The IOP has a diverse supply chain, including suppliers of IT, print and editorial services, office equipment, catering services, building services, temporary recruitment services, and accommodation and venue facilities.

Our Anti-Slavery and Human Trafficking Policy reflects a commitment to acting ethically and with integrity in all business relationships and to implement and enforce effective systems and controls to prohibit slavery and human trafficking in supply chains and business.

To ensure that all companies in the supply chain comply with all obligations on anti-slavery and human trafficking, all relevant suppliers are issued with, and agree to comply with, the Anti-Slavery and Human Trafficking Policy, and appropriate obligations are included in contracts with them. Those obligations allow the IOP to secure assurances that those suppliers have appropriate measures in place in relation to their own business and supply

chains and commit to complying with all relevant legislation and codes of practice.

To ensure awareness and understanding across the IOP, staff are required to complete an online training package on our approach to anti-slavery and human trafficking.

### Anti-Bribery and Corruption

We support and have an on-going commitment to carrying out our business fairly, honestly and openly.

We maintain policies and procedures to prevent bribery and have implemented an Anti-Corruption and Bribery Policy. We also have procedures and controls over expenditure, accounting, commercial and agent contracts to manage all forms of bribery and corruption risk.

As part of our zero-tolerance approach to bribery and corruption, we ensure that measures are in place so that staff and third parties understand what is and what is not permitted. As part of our induction programme, for example, we require new staff to complete a mandatory e-learning module on

bribery and corruption to enhance awareness and help deter bribery. As part of our due diligence procedures when contracting with key suppliers, we require them to commit to comply with all applicable bribery legislation and, where relevant, we review their policies in this area.

We maintain whistleblowing procedures for staff to report any allegations of wrongdoing and provide an integrated range of routes through which staff may report concerns.

### **Statement of Trustees' Responsibilities**

Members of Council (who are the trustees of the IOP) 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 and in Scotland 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 the Group, and of the incoming resources and application of resources of the charity and the Group for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then 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, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



# Financial Review

## Financial statements

The financial statements for the year ended 31 December 2021 are set out on pages 42 to 76. They were prepared applying accounting policies in accordance with UK Generally Accepted Accounting Practice, and comply with the Statement of Recommended Practice, Accounting and Reporting by Charities SORP (FRS 102).

## Financial review

### The IOP group

Some 94% (2020: 91%) of the group's incoming resources are generated from the activities of its trading subsidiary, IOP Publishing Limited.

Total incoming resources in the year for the group increased by £2.1m to £78.8m (2020: £76.7m). Income from scientific publications increased by £2.0m on 2020 to £71.7m, with a strong year for IOP Publishing Limited despite the continuing challenges from the COVID-19 pandemic. Income from other charitable activities remained consistent with 2020 at £4.9m (2020: £5.0m).

Further commentary on the activities of IOP Publishing Limited is shown below.

Total resources expended increased by £10.1m to £76.9m (2020: £66.8m) due to the growth of programmes within the IOP's 5 year strategy and the inclusion of a provision of £7.4m in respect of the potential outcome of a Normal Retirement Age equalisation review of the defined benefit pension scheme.

Further details are included in the Consolidated Statement of Financial Activities on page 42. The IOP's balance sheet is included on page

44. The IOP considers incoming resources, Gift Aid remitted from its subsidiaries and expenditure to be key performance indicators.

Debtors have increased from £16.6m to £18.6m at 31 December 2021, primarily due to the increase in debtors within IOP Publishing Limited.

Deferred revenue remains a key balance and has increased by £1.9m to £17.7m (2020: £15.8m), driven by the earlier invoicing in comparison to prior years. Deferred membership renewals for 2021 have increased slightly within the IOP compared to 2020 due to the full implementation of one time start date for membership renewals.

The cash and short-term investment position remains strong, with an increase from £28.6m at 31 December 2020 to £37.6m at 31 December 2021. The value of investments has increased by £2.9m to £25.9m at 31 December 2021 and the IOP's portfolio has benefited from the positive performance of the markets, particularly in the final quarter of 2021.

The group has made £0.4m of tangible fixed asset purchases during the year. Details on capital additions are given in note 15. We continue to use our operating surplus, alongside careful cash management, to meet the ongoing liabilities of the IOP.

The IOP's defined benefit pension deficit decreased in 2021 from £10.9m at 31 December 2020 to £3.6m at 31 December 2021 as the assets of the Institute of Physics Retirement Benefit Plan (1975) increased by £5.7m and the present value of liabilities decreased by £1.6m. This was due to the impact of changing market conditions on the Plan's liabilities, in particular rises in corporate bond yields which increased the discount rate,

contributions paid by the IOP and updates to mortality and salary assumptions. A provision has been made to allow for current uncertainty over the effective date of equalisation of the Normal Retirement Age of the scheme. The effective date may be deemed to be either 1 November 1991, 1 November 1994 or 31 October 1997. A prudent approach has been taken and the provision is based on the effective date being 31 October 1997 and therefore the maximum expected liability is provided for. In addition, the IOP made a £2m additional contribution in September 2021. Further details are given in note 23 of the financial statements.

During 2022, the IOP will be exiting the lease for its existing property in Bristol, which is the trading address of its subsidiary IOP Publishing Limited. In February 2022, the IOP signed a lease for a new property in Bristol.

The trustees have concluded that the group is a going concern and these financial statements have therefore been prepared on that basis. The strong performance of the group in 2021 and the positive net asset position at the end of 2021 support the trustees' conclusion.

### **The Institute of Physics (IOP)**

In 2021 78% of the IOP's income was generated from Gift Aid from its publishing subsidiaries (2020: 78%). Other sources of income include income from members either as membership fees or for additional services and grants from government and other grant-awarding bodies.

Total resources expended have increased in the year from £18.3m to £26.4m, due to the growth of programmes within the IOP's 5 year strategy and the inclusion of a provision of £7.4m in respect of the potential outcome of a Normal Retirement Age equalisation review of the defined benefit pension scheme.

### **IOP Publishing Limited (IOPP)**

The ongoing impacts of Brexit and the COVID-19 pandemic have continued to present challenges throughout 2021, however IOP Publishing generated turnover for 2021 of £73.9m (2020: £70.4m) which reflects a 5% increase on 2020 driven by growth across the

different business areas. The current year gross profit margin has experienced a small decrease to 91.2% (2020: 92.5%) flowing through to a slightly reduced operating margin for the current year of 28.3% (2020: 29.5%). Some relaxation of the COVID-19 restrictions on both national and international travel has meant that the cost decrease seen in 2020 has not been matched in 2021. In addition, the fluctuation in the USD exchange rate throughout the course of 2021 has resulted in a net foreign exchange loss for the year (2020: net foreign exchange gain) which has also impacted on margins.

IOPP pays all of its taxable profits to the IOP under the Gift Aid scheme. During the year, IOPP paid £21.2m (2020: £16.7m) of Gift Aid to the IOP.

## **Reserves and investment**

The Charter and Bylaws confer power on the IOP to maintain income reserves. Council reviews at least annually both the IOP's continuing need for reserves and their appropriate level. The reserves policy set out below is based on, and is consistent with, guidelines on the subject issued by the Charity Commission.

The strategic reasons for the IOP to retain reserves, rather than simply spend all of its income as it arises, are, as stated in its Investment Policy:

- to be able to make short and medium-term expenditure commitments without the risk of short-term fluctuations in income forcing reduction in, or cancellation of, planned activity;
- to reduce the level of dependence on income from publishing; and
- in the event of a material and sustained fall in income from other sources, to provide sufficient reserves to enable the IOP to make the changes in its organisation and activities necessary to respond to this in an orderly and planned way.

The overall investment objectives of the IOP are to achieve a minimum net total return of

12 month LIBOR (London Interbank Offered Rate) +3.5%, after payment of fees over rolling three-year periods, using a diversified strategic asset allocation approach to minimise the risk for this level of return.

During the year the investment portfolio held by the IOP generated an unrealised gain to the group of £2.9m (2020: £1.2m). The IOP actively manages its investment portfolio.

After a review in 2019, Council agreed that there should not be one single aggregate level of appropriate reserves that should be held by the IOP, rather the reserves of the IOP should be segregated into separate categories where the amount of reserves held in each category should be calculated as an appropriate amount to address the balance of risks and opportunities facing the IOP in those categories. The agreed categories are the: operational reserve (free reserves); property reserve (specific reserve); and pension fund reserve (specific reserve). In defining this reserves policy, consideration has been given to the level of free reserves it is appropriate to hold in order to demonstrate appropriate financial management and sustainability.

The operational reserve will allow for short and medium term expenditure commitments without the risk of short term fluctuations in income forcing reductions in, or cancellation of, planned activity. It will also help fund strategic and business plan activities. The property reserve will have £0.25m invested per annum until the end of the current strategy for the development and maintenance of the IOP's property assets, whether freehold or leasehold. The pension reserve will have £1m invested per annum over the same period. This is in addition to the special annual contribution already made from the IOP to the defined benefit pension scheme, which is accounted for through the Statement of Financial Activities.

The required level of reserves at 31 December 2021 based on the current long-term plan, as modified by the 2022 budget, is between approximately £15.3m-£23.6m (2020: £18.5m-£24.6m). The current level of free reserves as represented by the IOP's investments is £25.9m (£22.9m unrestricted,

£3.0m restricted) (2020: £23.0m (£20.3m unrestricted, £2.7m restricted)), which is deemed appropriate given the IOP's commitments over the following 12 months.

The balances on the individual funds of the IOP at 31 December 2021 are considered adequate to meet their respective commitments.

## Ethical investment policy

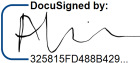
The IOP is a charity established with the objective of promoting the advancement and dissemination of a knowledge of and education in the science of physics, pure and applied.

The trustees would not want the investment decisions of the IOP to result in activities that compromise this objective. In the event that the trustees consider that any particular classes of investment choices conflict with this objective, they will provide a written list of such classes, or specific investments, to the investment managers and will require them to take such steps as are practicable and cost-effective so as not to invest in these areas.

## Auditors

All of the current trustees have taken all of the steps necessary to make themselves aware of any information needed by the charity's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The trustees are not aware of any relevant audit information of which the auditors are unaware.

## By order of Council

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**Professor Alison McMillan FInstP FIMechE  
 FHEA CPhys CEng**

Honorary Secretary  
 12 July 2022

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**Professor David Delpy CBE FInstP  
 FRS FEng FMedSci CPhys**

Honorary Treasurer  
 12 July 2022



# Independent Auditors' Report to the trustees of the Institute of Physics

## Report on the audit of the financial statements

### Opinion

In our opinion, the Institute of Physics' group financial statements and parent charity financial statements ("the financial statements"):

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2021 and of the group's and parent charity's incoming resources and application of resources, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008.

We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the Consolidated Statement of Financial Activities incorporating a consolidated income and expenditure account for the year ended 31 December 2021; the Charity Statement of Financial Activities incorporating an income and expenditure account for the year ended 31 December 2021; the Balance Sheet at 31 December 2021; the Consolidated Statement of Cash Flows for the year ended 31

December 2021; and the Notes forming part of the financial statements for the year ended 31 December 2021, which include a description of the significant accounting policies.

### Basis for opinion

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

### Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charity's ability to continue as a going concern for a period of at least twelve

## Independent auditors' report to the trustees of the Institute of Physics (continued)

months from the date on which the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and parent charity's ability to continue as a going concern.

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

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Based on our work undertaken in the course of the audit, the Charities Act 2011 requires us also to report certain opinions and matters as described below.

### Trustees' Report

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

### Responsibilities for the financial statements and the audit

#### Responsibilities of the Trustees for the financial statements

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

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

## Independent auditors' report to the trustees of the Institute of Physics (continued)

### Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 group and parent charity/industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011 and relevant regulations made or having an effect thereunder, including The Charities (Accounts and Reports) Regulations 2008. We evaluated the incentives and opportunities for fraudulent manipulation of

the financial statements (including the risk of override of controls) by the trustees and those responsible for, or involved in, the preparation of the financial statements, and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, and applying management bias in accounting estimates. Audit procedures performed included:

- Discussions with management and the trustees, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes including those of the Council and subsidiary board minutes;
- Evaluation of management's controls designed to prevent and detect irregularities, in particular the whistleblowing policy and employee code of conduct;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the valuation of partner accruals and the valuation of defined benefit pension liabilities; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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.

## Independent auditors' report to the trustees of the Institute of Physics (continued)

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the charity's trustees as a body in accordance with section 151 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

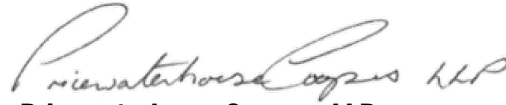
### Other required reporting

#### Charities Act 2011 exception reporting

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



#### **PricewaterhouseCoopers LLP**

Chartered Accountants and Statutory Auditors  
Bristol

Date: 12 July 2022

## Consolidated Statement of Financial Activities incorporating a consolidated income and expenditure account for the year ended 31 December 2021

	Note	2021 Restricted £'000	2021 Unrestricted £'000	2021 Total £'000	2020 Total £'000
<b>Income from:</b>					
Donations and legacies	3	-	5	5	9
Charitable activities:					
Membership		-	1,635	1,635	1,646
Programmes		299	2,941	3,240	3,343
Scientific Publications		-	71,730	71,730	69,707
Other trading activities		-	1,954	1,954	1,659
Investments	6	-	231	231	220
Other		-	-	-	106
<b>Total income</b>	<b>3 &amp; 5</b>	299	78,496	78,795	76,690
<b>Expenditure on:</b>					
Raising funds		-	(81)	(81)	(64)
Charitable activities:					
Scientific Publications	7	-	(50,854)	(50,854)	(48,895)
Ecosystem	7	(291)	(4,219)	(4,510)	(4,754)
Productivity	7	-	(405)	(405)	(12)
Campaign	7	-	(645)	(645)	(498)
Public Dialogue	7	-	(381)	(381)	(212)
Transformation	7	-	(571)	(571)	(154)
Challenge Fund	7	-	(241)	(241)	-
Membership	7	-	(901)	(901)	(643)
Business operations	7	(78)	(9,759)	(9,837)	(10,399)
Other	7	-	(8,523)	(8,523)	(1,209)
<b>Total expenditure</b>	<b>7</b>	(369)	(76,580)	(76,949)	(66,840)
Net gains on investments	17	308	2,634	2,942	1,154
<b>Net income</b>		238	4,550	4,788	11,004
<b>Other recognised gains/ (losses)</b>					
Actuarial gains / (losses) on defined benefit pension scheme	23	-	11,782	11,782	(8,502)
Exchange difference on retranslation of net assets of subsidiary undertakings		-	-	-	45
<b>Net movement in funds</b>		238	16,332	16,570	2,547
Fund balances brought forward		3,303	63,807	67,110	64,563
<b>Fund balances carried forward</b>	<b>22</b>	3,541	80,139	83,680	67,110

The Statement of Financial Activities includes all gains and losses recognised in the year. All amounts relate to continuing activities. The notes on pages 46 to 76 form part of these financial statements.

## Charity Statement of Financial Activities incorporating an income and expenditure account for the year ended 31 December 2021

	Note	2021 Restricted £'000	2021 Unrestricted £'000	2021 Total £'000	2020 Total £'000
<b>Income from:</b>					
Donations and legacies	<b>3</b>	-	5	<b>5</b>	9
Charitable activities:					
Membership		-	1,635	<b>1,635</b>	1,646
Programmes		299	2,941	<b>3,240</b>	3,343
Scientific Publications		-	22,193	<b>22,193</b>	21,469
Investments		-	1,221	<b>1,221</b>	1,065
Other		-	-	-	106
<b>Total income</b>		<b>299</b>	<b>27,995</b>	<b>28,294</b>	27,638
<b>Expenditure on:</b>					
Raising funds		-	(81)	<b>(81)</b>	(64)
Charitable activities:					
Ecosystem		(291)	(4,275)	<b>(4,566)</b>	(4,809)
Productivity		-	(405)	<b>(405)</b>	(12)
Campaign		-	(645)	<b>(645)</b>	(498)
Public Dialogue		-	(381)	<b>(381)</b>	(212)
Transformation		-	(571)	<b>(571)</b>	(154)
Challenge Fund		-	(242)	<b>(242)</b>	-
Membership		-	(1,151)	<b>(1,151)</b>	(893)
Business operations		(78)	(9,759)	<b>(9,837)</b>	(10,399)
Other		-	(8,523)	<b>(8,523)</b>	(1,209)
<b>Total expenditure</b>		<b>(369)</b>	<b>(26,033)</b>	<b>(26,402)</b>	(18,250)
Net gains on investments	<b>17</b>	308	2,634	<b>2,942</b>	1,154
<b>Net income</b>		<b>238</b>	<b>4,596</b>	<b>4,834</b>	10,542
<b>Other recognised gains/ (losses)</b>					
Actuarial gains / (losses) on defined benefit pension scheme	<b>23</b>	-	11,782	<b>11,782</b>	(8,502)
<b>Net movement in funds</b>		<b>238</b>	<b>16,378</b>	<b>16,616</b>	2,040
Fund balances brought forward		3,303	44,891	<b>48,194</b>	46,154
<b>Fund balances carried forward</b>	<b>22</b>	<b>3,541</b>	<b>61,269</b>	<b>64,810</b>	48,194

## Balance Sheet at 31 December 2021

	Note	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
<b>Fixed assets</b>					
Intangible assets	14	3,576	3,894	-	-
Tangible assets	15	33,948	34,885	33,381	34,185
Investments in subsidiary undertakings	16	-	-	3,001	3,001
Investments	17	25,895	22,953	25,895	22,953
		<b>63,419</b>	61,732	<b>62,277</b>	60,139
<b>Current assets</b>					
Debtors	18	18,622	16,577	1,953	1,414
Cash at bank and in hand		37,642	28,637	7,001	579
		<b>56,264</b>	45,214	<b>8,954</b>	1,993
<b>Creditors: amounts falling due within one year</b>	19	<b>(31,563)</b>	(28,147)	<b>(1,981)</b>	(2,249)
<b>Net current assets / (liabilities)</b>		<b>24,701</b>	17,067	<b>6,973</b>	(256)
<b>Provisions for liabilities</b>	21	<b>(806)</b>	(806)	<b>(806)</b>	(806)
<b>Defined Benefit Pension scheme deficit</b>	23	<b>(3,634)</b>	(10,883)	<b>(3,634)</b>	(10,883)
<b>Net Assets</b>		<b>83,680</b>	67,110	<b>64,810</b>	48,194
<b>Restricted funds</b>					
Restricted funds	22	3,541	3,303	3,541	3,303
<b>Unrestricted funds</b>					
General fund	22	83,773	74,690	64,903	55,774
Pension reserve	23	(3,634)	(10,883)	(3,634)	(10,883)
Total unrestricted funds		<b>80,139</b>	63,807	<b>61,269</b>	44,891
<b>Total charity funds</b>		<b>83,680</b>	67,110	<b>64,810</b>	48,194

These financial statements were approved by Council and authorised for issue on 12 July 2022 and were signed on its behalf by

DocuSigned by:  
Sheila Rowan  
1615745E3EDA446

**Professor Sheila Rowan**  
**CBE FRS FRSE Hon. FInstP**

President  
12 July 2022

DocuSigned by:  
David Delpy  
802AC384C638456

**Professor David Delpy**  
**CBE FInstP FRS FREng FMedSci CPhys**

Honorary Treasurer  
12 July 2022

The notes on pages 46 to 76 form part of these financial statements.

## Consolidated Statement of Cash Flows for the year ended 31 December 2021

	2021 £'000	2020 £'000
<b>Cash flows from operating activities</b>		
<b>Net income for the year</b>	<b>4,788</b>	11,004
Adjustments for:		
Depreciation and amortisation of fixed assets and intangible assets	2,862	3,435
Loss on disposal of fixed assets	1	1
Gains on investments	(2,942)	(1,154)
Net interest receivable	-	(8)
Dividend income from fixed and current investments	(231)	(212)
Difference between net pension expense and cash contribution	4,533	(941)
(Increase) / decrease in trade and other debtors	(2,045)	1,084
Increase in trade and other creditors	3,416	2,510
<b>Net cash provided by operating activities</b>	<b>10,382</b>	15,719
<b>Cash flows from investing activities</b>		
Purchases of fixed assets and intangible assets	(1,608)	(6,465)
Interest received	-	8
Dividends received on fixed and current asset investments	231	212
Purchase of investments	(2,926)	(7,221)
Sale of investments	2,926	7,221
<b>Net cash used in investing activities</b>	<b>(1,377)</b>	(6,245)
Net increase in cash and cash equivalents	9,005	9,474
Cash and cash equivalents at beginning of year	28,637	19,118
Foreign exchange gains	-	45
<b>Cash and cash equivalents at end of year</b>	<b>37,642</b>	28,637
<b>Cash and cash equivalents comprise:</b>		
Cash at bank and in hand	37,642	28,637
	<b>37,642</b>	28,637

The notes on pages 46 to 76 form part of these financial statements.

# Notes forming part of the financial statements for the year ended 31 December 2021

## 1. Accounting policies

The Institute of Physics (IOP) is a corporate body governed by a Royal Charter, which is supplemented by bylaws and regulations. It was established in its current form by Royal Charter dated 30 September 1970.

The IOP is a charity registered in both England & Wales (no. 293851) and in Scotland (no. SC040092). The IOP has also applied for registration as a charity in the Republic of Ireland. The members of Council are the trustees of the Charity. The IOP's registered office is 37 Caledonian Road, London N1 9BU.

The Institute of Physics is a Public Benefit Entity under FRS 102. The financial statements have been prepared in accordance with applicable charity law and in accordance with FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102"), and with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102 (effective 1 January 2015) ("Charities SORP FRS 102"), and in accordance with the requirements of the Charities Act 2011 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008.

The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain investments and financial instruments as specified in the accounting policies below.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the Group's management to exercise judgement in applying the Group's accounting policies (see note 2).

### Going Concern

Trustees continue to monitor the principal markets in which it operates and they have prepared forecasts and projections for the charity. These projections demonstrate the charity's ability to meet its obligations as they fall due. The Trustees therefore consider it appropriate to prepare the financial statements on a going concern basis.

### Parent entity disclosure exemptions

In preparing the individual financial statements of the Institute of Physics advantage has been taken of the following disclosure exemption available in FRS 102:

- No cash flow statement has been prepared for the parent charity; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent charity because their remuneration is included in the totals for the group as a whole.

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 1. Accounting policies (continued)

#### Basis of consolidation

The consolidated financial statements incorporate the results of the Institute of Physics and all its subsidiary undertakings as at 31 December 2021 using the acquisition method of accounting. Under this method, the results of subsidiary undertakings acquired or disposed of during the year are included in the consolidated Statement of Financial Activities from the effective date of acquisition or up to the effective date of disposal. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets and liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated Statement of Financial Activities from the date on which control is gained.

#### Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree plus costs directly attributable to the business combination. Any excess of the cost of the business combination over the fair value of the identifiable assets and liabilities is recognised as goodwill.

#### Analysis of income and expenditure

2021 is the second year of the IOP's strategy "Unlocking the Future". The analysis of income and expenditure by fund reflects the programmes of this strategy, including

membership and business operations (business as usual activities) and those of the IOP's publishing subsidiaries (scientific publications).

#### Income

Membership income is recognised when received and attributed to the financial years to which it relates. Sundry income is recognised when received. Income from production of in-house and external partner journals with a majority of the income received in advance is recognised in line with the fair value of content delivered. Other income streams include fees received for publishing articles, ebooks and advertising and are recognised upon publication. Sales of access to historic archives are recognised upon invoice, when permanent access is granted and contract management fees are recognised on invoice.

#### Gift Aid income

The Institute of Physics receives payments from its subsidiaries under the Gift Aid scheme. Gift Aid income is recognised in the charity's Statement of Financial Activities when the subsidiary has made an irrecoverable commitment to pay the taxable profits to the charity. The charity previously had a Gift Aid covenant in place with IOP Publishing Limited (IOP Publishing). At the reporting date there was no legal obligation in place for IOP Publishing to make this payment. The payment is, however, expected to be made within nine months of the end of the reporting date.

#### Government grants receivable

Grants are accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Financial Activities in the same year as the related expenditure.

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 1. Accounting policies (continued)

#### Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the relevant category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include general management, payroll administration, information technology, human resources, financing and governance costs. These costs are allocated across the expenditure on charitable activities. The basis of the cost allocation has been explained in note 8 to the financial statements.

#### Intangible fixed assets – goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in Intangible assets. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life as follows:

- Goodwill on acquisition of subsidiaries: 5 years

#### Intangible fixed assets – software

Internally generated software assets are stated at cost and depreciated over four years.

#### Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Assets with a value of less than £500 are not capitalised.

#### Depreciation

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

- Freehold property: 45 years
- Office machinery: 4 years
- Fixtures and fittings: 10 years
- Computers: 3 – 4 years

The value of leasehold property is amortised over the remaining periods of the relevant leases.

#### Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment in the individual charity financial statements.

Other investments in listed company shares are included in the balance sheet at the market value of the individual unitised holdings. Gains and losses are recognised in profit or loss, within 'Net income/expenditure' in the Statement of Financial Activities.

#### Debtors

Trade and other debtors are recognised at transaction price, less any impairment. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### Liquid resources

For the purposes of the cash flow statement, liquid resources are defined as current asset investments, which is cash held in short term deposit accounts for investment purposes. These are not considered to be cash because they are not accessible penalty free within one working day.

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 1. Accounting policies (continued)

#### Cash

Cash includes cash in hand and deposits repayable on demand with any qualifying institution less overdrafts from any qualifying financial institution repayable on demand. Deposits are repayable on demand if they can be withdrawn at any time without notice and without penalty, or if a maturity or period of notice of not more than 24 hours or one working day has been agreed. Cash includes deposits denominated in foreign currencies.

#### Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities are measured initially at amortised cost and subsequently at amortised cost less impairment.

#### Provisions

Provisions are recognised when the group has a present obligation, legal or constructive, as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use in the following financial year. The provision is measured at the undiscounted salary cost payable for the period of absence that has been accrued.

The group recognises a provision for the expected value of dilapidations for costs relating to the exit of leasehold premises which are expected to crystallise in 2022. The amount payable will be agreed through future negotiation at such point that an exit occurs.

#### Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in an asset of the company after deducting all of its liabilities. Financial instruments are measured at amortised cost or fair value depending on the nature of the underlying arrangement.

#### Derivative financial instruments

Derivative financial instruments are recognised at fair value with any gains or losses being recognised in profit or loss, within 'Net income/expenditure' in the Statement of Financial Activities.

#### Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors.

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 1. Accounting policies (continued)

#### **Pension costs – Institute of Physics Retirement Benefits Plan 1975**

The IOP operates the Institute of Physics Retirement Benefits Plan 1975 providing pension benefits based on final pensionable pay. This scheme was closed to new members on 31 December 2001. The scheme closed to future accrual during the year ended 31 December 2015. The assets of the scheme are held separately from those of the group in an independently administered fund. This defined benefit scheme is accounted for in accordance with FRS 102. The service cost of pension provision relating to the year, together with the cost of any benefits relating to past service if the benefits have vested, is charged to the Statement of Financial Activities. A charge equal to the increase in the present value of the scheme liabilities (because the benefits are closer to settlement) and a credit equivalent to the group's long term expected return on assets (based on the market value of the scheme assets at the start of the year), are also included in the Statement of Financial Activities.

The difference between the market value of the assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet. Any differences between the actual and expected return on assets during the year are recognised in the Statement of Financial Activities along with differences arising from experience or assumption changes. The defined benefit pension expense recognised in the Statement of Financial Activities is allocated to expenditure on charitable activities in proportion with the expenditure on these activities, except where it relates to a past service cost identified in year in which case it is allocated to other expenditure. The defined benefit pension expense is recognised in unrestricted funds.

#### **Pension costs – Institute of Physics Group Personal Pension Schemes**

The group operates two group personal pension schemes. They are both defined contribution pension schemes with assets held in the names of the individual members.

The first was established from 1 January 2002 and is managed by Aviva. This scheme closed to new members on 31 January 2014. For those members of staff who are members of this scheme, the IOP contributes 2-18% of basic salary.

The second was established from 1 February 2014 and is managed by Aviva. For those members of staff who choose to join the scheme the IOP contributes 2-12% of basic salary.

Contributions to the group's defined contribution pension schemes are charged to the Statement of Financial Activities in the year in which they become payable.

#### **Foreign currencies Functional currency and presentation currency**

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Sterling, which is the charity's and the group's presentation currency.

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 1. Accounting policies (continued)

#### Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entity are recognised at the spot rate at the dates of the transactions or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange differences that arise are recognised in profit or loss, within 'Net income/expenditure' in the Statement of Financial Activities.

#### Translation of group companies

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated from their functional currency to Sterling using the exchange rate ruling on the balance sheet date. Income and expenses are translated using an average rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on translation of group companies are recognised within 'Other recognised gains/losses' in the Statement of Financial Activities.

#### Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the terms of the leases.

Rental income receivable under operating leases with a third party is recognised in the Statement of Financial Activities on a straight-line basis over the terms of the leases.

The group has taken advantage of the transitional relief available for lease incentives, such that where a lease commenced before the date of transition to FRS 102, the remaining benefit of the lease incentive may continue to be recognised in accordance with previous UK GAAP.

### 2. Significant judgements and estimates

Preparation of the financial statements requires the Executive Board and Senior Management Team to make significant judgements and estimates.

#### Significant estimates

The items in the financial statements where significant estimates have been made include:

#### Revenue recognition

Income from production of in-house and external partner journals with a majority of the income received in advance is recognised in line with the fair value of content delivered. An estimate is required in the recognition of revenue where contracts with customers span multiple years.

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### **Defined benefit pension scheme valuation**

Valuation of the assets and liabilities of the group defined benefit pension scheme are performed by a professional actuary. This requires estimates to be made around the range of assumptions used and the value used for each assumption.

### **Partner accruals**

Indirect costs of IOP Publishing Limited are allocated to partners in the calculation of partner payments. An estimate is required in this allocation.

### **Dilapidations**

A provision is included for the value of dilapidations for costs relating to the exit of leasehold premises which are expected to crystallise in 2022. An estimate is required to determine this value. The amount payable will be agreed through future negotiation at such point that an exit occurs.

### **Significant judgements**

The items in the financial statements where significant judgements have been made are:

#### **Defined benefit pension scheme**

The trustees of the Institute of Physics Retirement Benefit Plan (1975) are currently performing a review of the effective date of implementation of the Normal Retirement Age equalisation of the defined benefit pension scheme. The effective date may be deemed to be either 1 November 1991, 1 November 1994 or 31 October 1997. Judgement is required to determine the likelihood of a liability arising in respect of this matter and the value of any such liability to be recognised in the financial statements of the IOP. A prudent approach has been taken and the provision is based on the effective date being 31 October 1997 and therefore the maximum expected liability is provided for. The following factors are taken into consideration by the Executive Board and Senior Management team when making this judgement: professional advice provided to the Executive Board by the IOP's actuary; and existing case law.

#### **Partner agreements**

When agreements are entered into with partners, judgement is required as to whether the company is acting as the agent or the principal in the arrangement and therefore how revenue should be recognised. The following factors are taken into consideration when making this judgement: which party to the agreement establishes the sales prices; which party bears the credit risk on the sale; and which party is responsible for providing the goods or services to the customer. The contractual terms set out in the agreement and the substance of the arrangement are also taken into consideration.

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 3. Income: analysis by fund

	Note	2021 Restricted £'000	2021 Unrestricted £'000	2021 Total £'000	2020 Restricted £'000	2020 Unrestricted £'000	2020 Total £'000
<b>Income from:</b>							
Donations and legacies		-	5	5	-	9	9
Charitable activities:							
Membership		-	1,635	1,635	-	1,646	1,646
Programmes		299	2,941	3,240	380	2,963	3,343
Scientific Publications		-	71,730	71,730	-	69,707	69,707
Other trading activities		-	1,954	1,954	-	1,659	1,659
Investments	6	-	231	231	-	220	220
Other		-	-	-	-	106	106
<b>Total income</b>	<b>5</b>	299	78,496	78,795	380	76,310	76,690

### 4. Expenditure: analysis by fund

	Note	2021 Restricted £'000	2021 Unrestricted £'000	2021 Total £'000	2020 Restricted £'000	2020 Unrestricted £'000	2020 Total £'000
<b>Expenditure on:</b>							
Raising funds		-	81	81	-	64	64
Charitable activities:							
Scientific Publications	7	-	50,854	50,854	-	48,895	48,895
Ecosystem	7	291	4,219	4,510	392	4,362	4,754
Productivity	7	-	405	405	-	12	12
Campaign	7	-	645	645	-	498	498
Public Dialogue	7	-	381	381	-	212	212
Transformation	7	-	571	571	-	154	154
Challenge Fund	7	-	241	241	-	-	-
Membership	7	-	901	901	-	643	643
Business operations	7	78	9,759	9,837	40	10,359	10,399
Other		-	8,523	8,523	-	1,209	1,209
<b>Total expenditure</b>		369	76,580	76,949	432	66,408	66,840

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 5. Analysis of incoming resources

By geographical market	2021 £'000	2020 £'000
Europe, Middle East and Africa	27,433	27,583
The Americas	30,529	29,780
Asia Pacific	20,833	19,327
<b>Total</b>	<b>78,795</b>	76,690

By class of business	2021 £'000	2020 £'000
Publishing operations	73,684	71,366
Charitable activities	3,240	3,343
Membership income	1,635	1,646
Other	236	335
<b>Total</b>	<b>78,795</b>	76,690

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 6. Investment income

	2021 £'000	2020 £'000
Dividends and interest from listed investments	231	212
Interest from cash and short term investments	-	8
<b>Total</b>	<b>231</b>	<b>220</b>

Group investment income of £231k is lower than the Charity's investment income due to the elimination of intercompany rent recharged in respect of Temple Circus.

### 7. Analysis of expenditure

#### 7a. Analysis of expenditure by type

	2021 Activities undertaken directly £'000	2021 Grant funding activities £'000	2021 Support costs £'000	2021 Total £'000	2020 Total £'000
Raising funds	-	-	81	81	64
Charitable activities:					
Scientific Publications	50,854	-	-	50,854	48,895
Ecosystem	3,242	113	1,155	4,510	4,754
Productivity	176	-	229	405	12
Campaign	280	-	365	645	498
Public Dialogue	165	-	216	381	212
Transformation	248	-	323	571	154
Challenge Fund	104	-	137	241	-
Membership	249	-	652	901	643
Business operations	1,738	-	8,099	9,837	10,399
Other	-	-	8,523	8,523	1,209
<b>Total</b>	<b>57,056</b>	<b>113</b>	<b>19,780</b>	<b>76,949</b>	<b>66,840</b>

Grant funding represents 97 (2020: 107) STFC grants made to schools to help them run physics and astronomy related activities and 12 (2020: nil) grants made to individuals under the Bell Burnell Graduate Scholarship Fund to encourage greater diversity in physics by assisting PhD physics students from under-represented groups.

A provision of £7.4m in respect of the potential outcome of a review of the effective date of Normal Retirement Age equalisation of the defined benefit pension scheme has been recognised in the 2021 financial statements. This is shown in Other expenditure above.

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 7. Analysis of expenditure (continued)

#### 7b. Analysis of expenditure on business operations

Included within expenditure on charitable activities are costs for business operations amounting to £9,837k (2020: £10,399k). These are analysed as:

	2021 Restricted £'000	2021 Unrestricted £'000	2021 Total £'000	2020 Total £'000
Awards	78	201	279	301
Support	-	2,779	2,779	2,783
Membership	-	1,180	1,180	1,295
Technology	-	2,969	2,969	3,049
Facilities	-	1,728	1,728	2,070
Outreach	-	902	902	901
<b>Total business operations expense</b>	<b>78</b>	<b>9,759</b>	<b>9,837</b>	<b>10,399</b>

### 8. Analysis of governance and support costs

Included within expenditure on charitable activities are governance and support costs amounting to £11,176k (2020: £10,749k). These are analysed as:

	2021 Management Costs (Directorate + Staff) £'000	2021 "Central Costs (IT, HR, Facilities)" £'000	2021 Finance Costs £'000	2021 Total £'000	2020 Total £'000
Ecosystem	1,027	128	-	1,155	1,052
Productivity	204	25	-	229	7
Campaign	325	40	-	365	293
Public Dialogue	192	24	-	216	124
Transformation	287	36	-	323	90
Challenge Fund	122	15	-	137	-
Membership	580	72	-	652	526
Business operations	5,094	2,466	539	8,099	8,657
<b>Total</b>	<b>7,831</b>	<b>2,806</b>	<b>539</b>	<b>11,176</b>	<b>10,749</b>

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 8. Analysis of governance and support costs (continued)

#### Auditors fees:

	2021 £'000	2020 £'000
Fees payable to the charity's auditors for the audit of the charity's annual financial statements	45	38
Fees payable to the charity's auditor for other services:		
The audit of the charity's subsidiaries pursuant to legislation	96	84
Other services	301	301
Other taxation services	10	11
<b>Total</b>	<b>452</b>	434

Non audit fees include work by PwC's Inclusion and Diversity practice on the Giving Voice to Inclusion programme, a central focus of the IOP's efforts to foster a more representative physics community looking beyond diversity to inclusion.

### 9. Staff

	2021 £'000	2020 £'000
Wages and salaries	26,224	25,375
Social security costs	2,324	2,298
Pension costs	2,580	2,450
Redundancy and severance costs	70	244
<b>Total</b>	<b>31,198</b>	30,367

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 9. Staff (continued)

The number of employees earning more than £60,000 including bonuses (excluding employer pension contributions) per year can be analysed in the following bands:

	2021	2020
£60,000 - £69,999	32	26
£70,000 - £79,999	17	23
£80,000 - £89,999	11	11
£90,000 - £99,999	8	4
£100,000 - £109,999	6	5
£110,000 - £119,999	2	1
£120,000 - £129,999	1	2
£130,000 - £139,999	1	-
£140,000 - £149,999	-	1
£150,000 - £159,999	3	1
£160,000 - £169,999	1	2
£170,000 - £179,999*	2	3
£180,000 - £189,999	-	-
£190,000 - £199,999	1	-
£200,000 - £209,999	-	1
£210,000 - £219,999	1	-
£220,000 - £229,999	1	1
£260,000 - £269,999	1	-
£300,000 - £309,000	1	-
£400,000 - £410,000	-	1

\* This banding includes the remuneration of the Group Chief Executive Officer

The above banding covers the employees of the IOP Group and also includes 19 staff (2020: 20) who are employed by entities within the IOP group that fall outside the scope of the gender pay gap reporting. The above banding includes 64 (2020: 50) staff for whom retirement benefits are accruing under defined contribution schemes. Of these 64 staff, there are 9 (2020: 9) staff who are also deferred members of defined benefit schemes that are closed to future accrual. Contributions by the group for the year for the above employees to defined contribution schemes amounted to £656k (2020: £482k). 22 staff included above (2020: 24) are paid in foreign currencies and their earnings are subject to foreign exchange fluctuations when translating from the base currency to sterling.

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 9. Staff (continued)

Additional information on the total remuneration package of employees earning over £60,000 per year is shown below.

#### Institute of Physics – Charity

Salary and Compensation	Bonus and commission	Non pensionable allowances and other benefits	Employer Pension Contribution	2021	2020
£60,000 – £69,999	-	-	£5,000 – £14,999	7	4
£70,000 – £79,999	-	-	£5,000 – £14,999	6	7
£80,000 – £89,999	-	-	£5,000 – £14,999	3	1
£100,000 – £109,999	-	-	£5,000 – £14,999	-	2
£110,000 – £119,999	-	-	£5,000 – £14,999	1	-
£140,000 – £149,999	-	-	£0 – £5,000	-	1
£150,000 – £159,999	-	-	£0 – £5,000	1	-
£170,000 – £179,999*	-	-	£30,000 – £34,999	1	1

\* This banding includes the remuneration of the Group Chief Executive Officer.

#### Institute of Physics – Group

Within the trading subsidiaries of the Institute of Physics group (IOP Enterprises Limited, IOP Publishing Limited, Turpion Limited, Turpion-Moscow Limited, IOP Publishing Inc., IOP Business Publishing Inc., IOP Publishing Consultants (Beijing) Co Limited, IOP Marketing and Promotion Services Private Limited), some staff, dependant on role, have contractual performance based incentives linked to the subsidiaries' revenue or profit growth. Staff may also receive non pensionable allowances and medical benefits in addition to employer pension contributions.

UK employer pension contributions are made at a maximum of 18% of pensionable salary. The average number of employees during the year was:

	2021	2020
Charitable work:		
- Institute of Physics	134	136
Business operations:		
- IOP Publishing Limited	217	224
- IOP Publishing Inc.	28	32
- IOP Business Publishing Inc.	2	2
- Turpion-Moscow Limited	3	3
- IOP Publishing Consultants (Beijing) Co Limited	17	14
- IOP Marketing and Promotion Services Private Limited	5	4
Management and administration:		
- Institute of Physics	34	35
- IOP Publishing Limited	135	135
<b>Total</b>	<b>575</b>	<b>585</b>

The full time equivalent employees as at 31 December 2021 was 540 (2020: 595).

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 10. Key management personnel remuneration

Key management personnel include all members of Council. The President, honorary officers and members of Council give their time to the IOP on a voluntary basis and are paid no remuneration for this work. They are reimbursed the actual costs of travel and subsistence necessarily incurred on the official business of the IOP and/or its subsidiaries. In the year to 31 December 2021 less than £1k of expenses were incurred and reimbursed to 5 trustees (2020: £12k to 14 trustees).

Remunerated key management personnel include the members of the IOP's senior management team and directors of the IOP's subsidiary companies. The Group Chief Executive Officer performs a group role across all entities within the IOP Group. The Group Chief Executive Officer is part of the IOP's senior management team which also includes the Deputy Chief Executive; Chief Financial Officer; The Director of Policy and Public Affairs; The Director of Science, Innovation & Skills; and the Chief Executive, IOP Publishing Limited. All members of the senior management team are remunerated by the Institute of Physics with the exception of the Chief Executive of IOP Publishing Limited.

In addition to the members of the IOP's senior management team, remunerated key management personnel comprise:

#### **IOP Publishing Limited**

Sales & Marketing Director  
Finance & Operations Director  
Technology Director  
Publishing Director

The pay and remuneration of the group senior management team is set and monitored on behalf of Council by the Remuneration Committee. The Committee comprises the President, President-elect, Honorary Secretary and Honorary Treasurer, and is supported by

several separately appointed external advisors. The Committee commissions, each year, relevant external benchmarking information from both the publishing and charity sector to support its decision-making, and when necessary takes additional advice from specialist organisations.

The total compensation paid to key management personnel for services provided to the group was £2,192k (2020: £1,732k). This includes all remuneration, salary, benefits, bonuses and commission, employer's pension contributions, employer's national insurance contributions and any compensation payments made.

### 11. Physics World

During the year the IOP contributed £266k (2020: £266k) to IOP Publishing Limited towards the cost of copies of Physics World supplied to members, and £40k (2020: £40k) towards the cost of copies of Physics Education supplied to the IOP's affiliated schools programme.

### 12. Taxation

As a registered charity, the IOP is potentially exempt from taxation of its income and gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The subsidiary companies make qualifying donations of taxable profit to the Institute of Physics.

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 13. Irrecoverable VAT

There is a group VAT registration for the Institute of Physics and its UK subsidiaries. The VAT group is partly exempt and, because of this, there are restrictions on the amount of VAT recoverable.

### 14. Intangible assets

Institute of Physics – Group	Software £'000	Goodwill on consolidation £'000	Trademarks £'000	Assets in course of construction £'000	Total £'000
<i>Cost or valuation</i>					
At 1 January 2021	12,414	126	217	612	<b>13,369</b>
Additions	-	-	-	1,232	<b>1,232</b>
Transfers from assets in course of construction	1,219	-	-	(1,219)	-
<b>At 31 December 2021</b>	<b>13,633</b>	<b>126</b>	<b>217</b>	<b>625</b>	<b>14,601</b>
<i>Accumulated amortisation</i>					
At 1 January 2021	(9,234)	(126)	(115)	-	<b>(9,475)</b>
Provision for the year	(1,507)	-	(43)	-	<b>(1,550)</b>
<b>At 31 December 2021</b>	<b>(10,741)</b>	<b>(126)</b>	<b>(158)</b>	-	<b>(11,025)</b>
<i>Net book value</i>					
<b>At 31 December 2021</b>	<b>2,892</b>	-	<b>59</b>	<b>625</b>	<b>3,576</b>
At 31 December 2020	3,180	-	102	612	3,894

#### Assets in the course of construction

Assets in the course of construction relate to elements of the implementation of new software systems which are ongoing. These assets are not being depreciated. These assets will begin to be depreciated upon being brought into use.

#### Intangible assets – Charity

The charity does not hold any intangible assets (2020: £nil).

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 15. Tangible assets

Institute of Physics – Group	Unoccupied property £'000	Freehold property £'000	Short leasehold property £'000	Fixtures and fittings £'000	Total £'000
<i>Cost</i>					
At 1 January 2021	2,663	33,968	2,431	4,357	<b>43,419</b>
Additions	120	7	69	180	<b>376</b>
Disposals	-	-	(8)	(175)	<b>(183)</b>
<b>At 31 December 2021</b>	<b>2,783</b>	<b>33,975</b>	<b>2,492</b>	<b>4,362</b>	<b>43,612</b>
<i>Accumulated depreciation</i>					
At 1 January 2021	-	(2,629)	(2,362)	(3,543)	<b>(8,534)</b>
Charge for the year	-	(877)	(53)	(382)	<b>(1,312)</b>
Disposals	-	-	8	174	<b>182</b>
<b>At 31 December 2021</b>	<b>-</b>	<b>(3,506)</b>	<b>(2,407)</b>	<b>(3,751)</b>	<b>(9,664)</b>
<i>Net book value</i>					
<b>At 31 December 2021</b>	<b>2,783</b>	<b>30,469</b>	<b>85</b>	<b>611</b>	<b>33,948</b>
At 31 December 2020	2,663	31,339	69	814	34,885

Institute of Physics – Charity	Unoccupied property £'000	Freehold property £'000	Short leasehold property £'000	Fixtures and equipment £'000	Total £'000
<i>Cost</i>					
At 1 January 2021	2,663	33,968	2,362	263	<b>39,256</b>
Additions	120	7	-	41	<b>168</b>
<b>At 31 December 2021</b>	<b>2,783</b>	<b>33,975</b>	<b>2,362</b>	<b>304</b>	<b>39,424</b>
<i>Accumulated depreciation</i>					
At 1 January 2021	-	(2,629)	(2,309)	(133)	<b>(5,071)</b>
Charge for the year	-	(877)	(53)	(42)	<b>(972)</b>
<b>At 31 December 2021</b>	<b>-</b>	<b>(3,506)</b>	<b>(2,362)</b>	<b>(175)</b>	<b>(6,043)</b>
<i>Net book value</i>					
<b>At 31 December 2021</b>	<b>2,783</b>	<b>30,469</b>	<b>-</b>	<b>129</b>	<b>33,381</b>
At 31 December 2020	2,663	31,339	53	130	34,185

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 16. Investments in subsidiary undertakings

Institute of Physics – Charity	Subsidiary undertakings £'000
<i>Cost and net book value</i>	
At 1 January 2021 and 31 December 2021	<b>3,001</b>

The IOP's subsidiary undertakings at 31 December 2021 were as follows:

Name	Country of incorporation / registration	Class of shares held	Percentage held	Nature of business	Year end
<i>Subsidiary undertakings</i>					
IOP Publishing Limited	UK	Ordinary	100%	Publishing	31 Dec 2021
IOP Enterprises Limited	UK	Ordinary	100%	Non trading	31 Dec 2021
IOP Educational Publishing Limited	UK	Ordinary	100% *	Dormant	31 Dec 2021
IOP Publishing Inc.	USA	Ordinary	100%	Publishing	31 Dec 2021
IOP Business Publishing Inc.	USA	Ordinary	100% ^	Publishing	31 Dec 2021
IOP Publishing Consultants (Beijing) Co Limited	China	Ordinary	100% *	Publishing consulting	31 Dec 2021
Turpion Limited	UK	Ordinary	100% *	Publishing	31 Dec 2021
Turpion–Moscow Limited	Russia	Ordinary	100% +	Publishing	31 Dec 2021
IOP Publishing Moscow LLC	Russia	Ordinary	100% #	Publishing	31 Dec 2021
IOP Marketing and Promotion Services Private Limited	India	Ordinary	100% –	Publishing	31 Mar 2022

\* The investments in IOP Educational Publishing Limited, IOP Publishing Consultants (Beijing) Co Limited and Turpion Limited are held directly by IOP Publishing Limited.

^ The investment in IOP Business Publishing Inc. is held directly by IOP Publishing Inc.

+ The investment in Turpion–Moscow Limited is held directly by Turpion Limited.

– The investment in IOP Marketing and Promotion Services Private Limited is 0.01% owned by IOP and 99.99% by IOP Publishing Limited.

# The investment in IOP Publishing Moscow LLC is owned 1% by Turpion Limited and 99% by IOP Publishing Limited.

Address of IOP Publishing Limited is Temple Circus House, Temple Way, Bristol BS1 6HG

Address of IOP Enterprises Limited is 37 Caledonian Road, London, N1 9BU

Address of IOP Educational Publishing Limited is Temple Circus House, Temple Way, Bristol BS1 6HG

Address of IOP Publishing Inc. is 190 N. Independence Mall West Suite 601 Philadelphia, PA 19106, USA

Address of IOP Business Publishing Inc. is 190 N. Independence Mall West Suite 601 Philadelphia, PA 19106, USA

Address of IOP Publishing Consultants (Beijing) Co Limited is Room 608, Building A, Raycom Info Tech Park, No.2 Kexueyuan South Road, Beijing China 100190

Address of Turpion Limited is Temple Circus House, Temple Way, Bristol BS1 6HG

Address of Turpion–Moscow Limited is MIAN, 8 Gubkina Street, Room 915, Moscow 119991, Russia

Address of IOP Publishing Moscow LLC is Room 2, 7th Floor, Building 2, 17 Skakovaya Street, Moscow, 125040, Russia

Address of IOP Marketing and Promotion Services Private Limited is No 59, Empee Tower, Harris Road, Pudupet Chennai 600002, Tamil Nadu, India

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 16. Investments in subsidiary undertakings (continued)

Details of the net assets, turnover, expenditure and profit for the year of IOP Publishing Limited, IOP Enterprises Limited, IOP Publishing Inc., IOP Business Publishing Inc., IOP Publishing Consultants (Beijing) Co Limited, Turpion Limited and IOP Marketing and Promotion Services Private Limited are as follows:

	Company Number	Net assets/ (liabilities) 2021 £'000	Turnover 2021 £'000	Expenditure 2021 £'000	Profit/ (loss) 2021 £'000
IOP Publishing Limited	00467514	20,445	73,901	(52,999)	20,902
IOP Enterprises Limited	03471563	4	-	-	-
IOP Publishing Inc.	26-2659520	1,123	3,821	(3,308)	513
IOP Business Publishing Inc.	26-2301131	(169)	1,083	(325)	758
IOP Publishing Consultants (Beijing) Co Limited	No.05292	300	1,541	(1,478)	63
Turpion Limited	02463452	127	328	(449)	(121)
IOP Publishing Moscow LLC	1217700419815	25	-	(16)	(16)
IOP Marketing and Promotion Services Private Limited	U74999TN2016FTC103739	96	253	(228)	25

### 17. Investments

Group and charity	2021 £'000	2020 £'000
Market value at beginning of the year	22,953	21,799
Purchases in year	2,926	7,221
Disposal proceeds in year	(2,926)	(7,221)
Realised (losses)/ gains	(111)	27
Unrealised gains	3,053	1,127
Market value at end of the year	25,895	22,953
Historical cost	21,629	21,739

No investment management cost was incurred in 2021 or 2020.

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 17. Investments (continued)

The analysis of investments by class is as follows:

Group and charity	2021 £'000	2020 £'000
Vanguard FTSE Global All Cap Index Fund	13,277	9,425
BNY Mellon Real Return Fund Newton Institutional	7,513	6,097
CCLA COIF Charities Property Fund	5,105	4,468
Invesco Global Targeted Returns Fund (UK)	-	2,963
Market value of investments	25,895	22,953

### 18. Debtors

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Trade debtors	13,638	12,364	117	4
Other debtors	783	982	699	749
Prepayments and accrued income	4,201	3,231	1,137	661
<b>Total</b>	<b>18,622</b>	16,577	<b>1,953</b>	1,414

An impairment loss of £36k (2020: £105k) was recognised in the consolidated Statement of Financial Activities for the year in respect of bad and doubtful trade debtors. An impairment loss of £20k for 2021 was recognised in the Charity Statement of Financial Activities for the year in respect of bad and doubtful trade debtors (2020: write back of £71k).

Included within other debtors is an amount of £nil (2020: £48k) relating to Indian withholding tax that is expected to fall due for payment in greater than one year.

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 19. Creditors: amounts falling due within one year

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Trade creditors	1,354	1,973	424	515
Amounts owed to group undertakings	-	-	71	675
Other creditors	6,272	5,367	5	119
Derivative financial instruments	210	-	-	-
Other taxes and social security	653	547	186	178
Accruals	5,339	4,505	750	321
Deferred income	17,735	15,755	545	441
<b>Total</b>	<b>31,563</b>	<b>28,147</b>	<b>1,981</b>	<b>2,249</b>

Deferred income represents income received in advance:

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Journals subscriptions	16,616	14,374	-	-
Membership income	306	191	306	191
Other	813	1,190	239	250
<b>Total</b>	<b>17,735</b>	<b>15,755</b>	<b>545</b>	<b>441</b>

Amounts due to group undertakings are interest free and repayable on demand.

### 20. Financial instruments

The group's and charity's financial instruments may be analysed as follows:

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	25,895	22,953	25,895	22,953
Financial assets measured at amortised cost	53,500	42,684	8,451	1,626
<b>Financial liabilities</b>				
Financial liabilities measured at fair value through profit or loss	(210)	-	-	-
Financial liabilities measured at amortised cost	(12,965)	(12,214)	(1,250)	(1,630)

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 20. Financial instruments (continued)

Financial assets measured at fair value through profit or loss comprise fixed asset investments in a trading portfolio of listed company shares.

Financial assets measured at amortised cost comprise trade debtors, other debtors, amounts owed by group undertakings, current asset investments and cash at bank.

Financial liabilities measured at fair value through profit or loss comprise the loss in fair value of foreign currency exchange contracts.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and amounts owed to group undertakings.

### 21. Provisions for liabilities

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Dilapidations provision	806	806	806	806

Included within provisions is a provision of £806k (2020: £806k) for costs relating to the exit of leasehold premises which are expected to crystallise in 2022. The amount payable will be agreed through future negotiation at such point that an exit occurs.

### 22. Movement on reserves

Institute of Physics – Group	General fund £'000	Restricted funds £'000	Pension deficit £'000	Total £'000
At 1 January 2020	64,530	3,355	(3,322)	64,563
Net income	10,115	(52)	941	11,004
Exchange adjustments	45	-	-	45
Actuarial losses	-	-	(8,502)	(8,502)
<b>At 1 January 2021</b>	<b>74,690</b>	<b>3,303</b>	<b>(10,883)</b>	<b>67,110</b>
Net income / (expenditure)	9,083	238	(4,533)	4,788
Actuarial gains	-	-	11,782	11,782
<b>Balances carried forward as at 31 December 2021</b>	<b>83,773</b>	<b>3,541</b>	<b>(3,634)</b>	<b>83,680</b>

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 22. Movement on reserves (continued)

Institute of Physics – Charity	General fund £'000	Restricted funds £'000	Pension deficit £'000	Total £'000
At 1 January 2020	46,121	3,355	(3,322)	<b>46,154</b>
Net income	9,653	(52)	941	<b>10,542</b>
Actuarial losses	-	-	(8,502)	<b>(8,502)</b>
<b>At 1 January 2021</b>	<b>55,774</b>	<b>3,303</b>	<b>(10,883)</b>	<b>48,194</b>
Net income / (expenditure)	9,129	238	(4,533)	<b>4,834</b>
Actuarial gains	-	-	11,782	<b>11,782</b>
<b>Balances carried forward as at 31 December 2021</b>	<b>64,903</b>	<b>3,541</b>	<b>(3,634)</b>	<b>64,810</b>

Group and charity Restricted funds	Prize funds £'000	Other funds £'000	Total funds £'000
Balance at 1 January 2021	50	3,253	<b>3,303</b>
Incoming resources	7	256	<b>263</b>
Resources expended	(7)	(326)	<b>(333)</b>
Unrealised gains on investments	-	308	<b>308</b>
Balance at 31 December 2021	50	3,491	<b>3,541</b>

Restricted funds are held by the IOP and were given to the IOP to spend towards specific projects and purposes. Prize funds are held by the IOP to give out as awards to individuals for their exceptional contribution towards physics. Other funds are to be spent on specific projects.

### Analysis of Net Assets by Fund

Institute of Physics Group	General fund £'000	Restricted funds £'000	Pension deficit £'000	Total £'000
Intangible Fixed Assets	3,576	-	-	<b>3,576</b>
Tangible Fixed Assets	33,948	-	-	<b>33,948</b>
Investments	22,871	3,024	-	<b>25,895</b>
Current Assets	55,747	517	-	<b>56,264</b>
Current Liabilities	(31,563)	-	-	<b>(31,563)</b>
Non-current Liabilities	(806)	-	(3,634)	<b>(4,440)</b>
Balances carried forward	83,773	3,541	(3,634)	<b>83,680</b>

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 23. Pensions

The Group operates three pension schemes.

#### Defined benefit pension scheme

The Institute of Physics Retirement Benefits Plan 1975 was closed to new members on 31 December 2001. The scheme was closed to future accrual during the year ended 31 December 2015. In March 2021, the IOP confirmed its continued support for the scheme. Following discussions with the trustees of the scheme, a recovery plan to fund the deficit was agreed, involving the continuation of contributions from the IOP of £1m per annum through to 30 June 2025. The IOP has agreed to pay additional contingent contributions to the scheme subject to 1) having sufficient funding to meet the commitments of the IOP's 5-year plan and 2) meeting the needs of the IOP's reserves policy.

A Group personal pension scheme was established to replace the defined benefit scheme with effect from 1 January 2002. This scheme closed to new members on 31 January 2014 and a new Group personal pension scheme was established from 1 February 2014. The IOP has also designated a stakeholder pension scheme in compliance with the Pensions Act 1995.

The most recent FRS 102 valuation of the Institute of Physics Retirement Benefits Plan 1975 dated 31 December 2021 showed that the value of the scheme's assets as at that date was £114,427k (2020: £108,739k) and that the actuarial value of those assets represented 103% (2020: 91%) of the benefits that had accrued to members, after allowing for expected future increases in earnings. The principal actuarial assumptions used by the actuary at the Balance Sheet date were:

	2021 %	2020 %
Discount rate	1.95	1.35
Aggregate long-term expected rate of return on assets (net of expenses):		
Inflation (RPI)	3.45	2.95
Inflation (CPI)	2.80	2.30
Future increases in deferred pensions:		
Rate of increase in salaries	2.85	2.95
Rate of increase to pensions in payment:		
Pre 2001 pension	5.00	5.00
2001-2006 pension	3.50	2.95
Post 2006 pension	2.20	2.10
Mortality assumptions:		
	Years	Years
Life expectancy of men aged 65 now	22.1	22.3
Life expectancy of men aged 65 in 20 years	23.3	23.6
Life expectancy of women aged 65 now	24.5	24.6
Life expectancy of women aged 65 in 20 years	25.9	26.0

#### Cash commutation:

- 2021: Members take 75% of their max allowable pension commencement lump sum on current terms
- 2020: Members take 75% of their max allowable pension commencement lump sum on current terms

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 23. Pensions (continued)

#### Reconciliation of fair value of plan liabilities:

	2021 £'000	2020 £'000
At the beginning of the year	119,622	100,687
Past service cost	7,400	-
Interest cost	1,601	2,086
Remeasurement (gains) / losses:		
Actuarial (gains) / losses	(8,495)	19,568
Benefits paid	(2,067)	(2,719)
At the end of the year	118,061	119,622

#### Changes in the fair value of plan assets:

	2021 £'000	2020 £'000
At the beginning of the year	108,739	97,365
Interest income	1,468	2,027
Remeasurement (gains) / losses:		
Return on scheme assets excluding interest	3,287	11,066
Contributions by employer	3,000	1,000
Benefits paid including expenses	(2,067)	(2,719)
At the end of the year	114,427	108,739
Actual return on plan assets	4,755	13,093

	2021 £'000	2020 £'000
Fair value of plan assets	114,427	108,739
Actuarial value of plan liabilities	(118,061)	(119,622)
Net pension scheme liability	(3,634)	(10,883)

Group and charity	2021 £'000	2020 £'000
Pension liability recognised on the balance sheet	(3,634)	(10,883)

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 23. Pensions (continued)

Amounts recognised in profit or loss are as follows:

Group and charity	2021 £'000	2020 £'000
Past service cost	7,400	-
Net interest cost	133	59
Total	7,533	59

A provision of £7.4m in respect of the potential outcome of a review of the effective date of Normal Retirement Age equalisation of the defined benefit pension scheme has been recognised in the 2021 financial statements. This is shown in past service cost.

#### Analysis of actuarial gain / (loss) recognised within the Statement of Financial Activities gains and losses category

Group and charity	2021 £'000	2020 £'000
Actual return less interest income included in net interest income	3,287	11,066
Changes in assumptions underlying the present value of the scheme liabilities	8,495	(19,568)
Actuarial gain / (loss) on defined benefit pension scheme	11,782	(8,502)

#### Composition of plan assets

Group and charity	2021 £'000	2020 £'000
Equities	23,917	19,913
Diversified growth funds	36,390	34,052
Annuities	7,876	9,110
Liability Driven Investment funds	32,617	35,839
Partners Fund	11,771	9,930
Cash	1,856	(105)
Total plan assets	114,427	108,739

#### Defined contribution pension schemes

The amount recognised in the Statement of Financial Activities as an expense in relation to the group's defined contribution pension schemes is £2,393k (2020: £2,258k). Contributions amounting to £202k (2020: £196k) were payable to the scheme as at the year end and are included in creditors within the financial statements.

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 24. Analysis of changes in net funds

	2021 £'000	2020 £'000
Decrease in cash and cash equivalents	9,005	9,474
Exchange translation	-	45
<b>Movement in net funds in the year</b>	<b>9,005</b>	9,519
Net funds brought forward	28,637	19,118
<b>Net funds carried forward</b>	<b>37,642</b>	28,637

### 25. Commitments under operating leases

#### Group

The group has minimum lease payments under non-cancellable operating leases as set out below:

	Land and buildings 2021 £'000	Land and buildings 2020 £'000
Not later than 1 year	392	727
Later than 1 year and not later than 5 years	476	347
<b>Total</b>	<b>868</b>	1,074

#### Charity

The charity has minimum lease payments under non-cancellable operating leases as set out below:

	Land and buildings 2021 £'000	Land and buildings 2020 £'000
Not later than 1 year	-	564
<b>Total</b>	<b>-</b>	564

The Temple Circus lease expired in 2021.

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 25. Commitments under operating leases (continued)

During 2022, the IOP will be exiting the lease for its existing property in Bristol, which is the trading address of its subsidiary IOP Publishing Limited. In February 2022, the IOP signed a lease for a new property in Bristol.

Under the terms of this lease, the charity and the group has minimum lease payments as follows:

	Land and buildings £'000
Not later than 1 year	-
Later than 1 year and not later than 5 years	<b>1,920</b>
Later than 5 years	<b>3,003</b>
<b>Total</b>	<b>4,923</b>

### 26. Amounts receivable under operating leases

The charity has minimum lease payments receivable under non-cancellable operating leases as set out below:

	Land and buildings 2021 £'000	Land and buildings 2020 £'000
Not later than 1 year	-	704
<b>Total</b>	-	704

During 2022, the IOP will be exiting the lease for its existing property in Bristol, which is the trading address of its subsidiary IOP Publishing Limited, therefore there are no amounts receivable under non-cancellable operating leases at the end of the year. In February 2022, the IOP signed a lease for a new property in Bristol.

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 27. Related parties

The transactions noted below are all reported due to the individuals being trustees, directors or key management personnel.

#### Sales by IOP Publishing Limited

Individual	Related organisation	Role within related organisation	Description of transaction	Sales by IOPP (£)	Amount outstanding at year end (£)
Martin Freer	University of Birmingham	Director of the Birmingham Energy Institute and Director of the Energy Research Accelerator at the University of Birmingham	Article publication charges & subscriptions	66,057	6,810
Tariq Ali		Deputy Pro-Vice Chancellor	Advertising	3,495	
Martin Hendry	University of Glasgow	Professor of Gravitational Astrophysics & Cosmology	Article publication charges & subscriptions	59,440	-
Sheila Rowan		Director of Institute for Gravitational Research			
Phillip Burrows	Deutsches Elektronen Synchrotron (DESY)	Chair of the Physics Review Committee	Article publication charges	9,429	-
Sheila Rowan	Science and Technology Facilities Council (STFC)	Director of the Institute for Gravitational Research, School of Physics and Astronomy	Advertising	2,745	-
Mark Telling *		Associate Director	Article publication charges & subscriptions	1,465	-
Alix Pryde	Queen Mary University of London	Member of Council	Article publication charges	4,130	-
Claudia Eberlein	Loughborough University	Dean of Science, Professor of Theoretical Physics & Member of Council	Article publication charges	1,550	-
Tariq Ali		Member of the board - Industrial Policy Research Centre UK at University of Loughborough/ MTC			
Brian Fulton *	University of York	Dean of faculty of Sciences & member of University Executive Board	Article publication charges & subscriptions	80,067	-
			Advertising	1,000	-
Wendy Flavell *	University of Manchester	Vice Dean for Research in Faculty of Science and Engineering and Deputy Head of School in Department of Physics and Astronomy	Article publication charges & subscriptions	79,730	-
			Advertising	3,079	-

\* Retired 30 September 2021

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 27. Related parties (continued)

#### Purchases by IOP Publishing Limited

Individual	Related organisations	Role within related organisations	Description of transaction	Purchases by IOPP (£)
Miriam Maus	The Publishers Association	Director	Membership subscriptions	46,702

#### Purchases by the IOP

Individual	Related organisations	Role within related organisations	Description of transaction	Purchases by the IOP (£)
Paul Hardaker	Sense about science	Trustee	IOP annual partnership grant – not involved in any decision making related to the Sense about Science Partnership Grant	25,000
Martin Freer	University of Birmingham	Director of the Birmingham Energy Institute and Director of the Energy Research Accelerator at the University of Birmingham	Grants and bursaries	1,555
Tariq Ali		Deputy Pro-Vice Chancellor		
Martin Hendry	University of Glasgow	Professor of Gravitational Astrophysics & Cosmology	Grants & bursaries	150
Sheila Rowan		Director of Institute for Gravitational Research		
Alix Pryde	Queen Mary University of London	Member of Council	Grants & bursaries	150
Brian Fulton *	University of York	Dean of faculty of Sciences & member of University Executive Board	Grants & bursaries	51,495

\* Retired 30 September 2021

## Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

### 27. Related parties (continued)

#### Amounts invoiced by the IOP

Individual	Related organisations	Role within related organisations	Description of transaction	Invoiced by the IOP (£)
Sheila Rowan	Science and Technology Facilities Council (STFC)	Director of the Institute for Gravitational Research, School of Physics and Astronomy	Sponsorship income	9,587
Mark Telling *		Associate Director	Project income	20,000

\* Retired 30 September 2021

The charity did not receive any donations with conditions from the trustees or other related party (2020: nil).

No individual listed above was involved in any way with decisions related to, or taken on, the IOP's expenditure with these related organisations.



The Institute of Physics is a charity registered in England and Wales (no. 293851) and Scotland (no. SC040092). Photo credits: iStock/Getty images.

The IOP is the professional body and learned society for physics in the UK and Ireland, with an active role in promoting cooperation in physics around the world. We strive to make physics accessible to people from all backgrounds.

Our 22,000 members demonstrate their professional expertise in physics in settings ranging from schools, universities and national research facilities, to businesses of all sizes, and in roles as varied as teacher, researcher, apprentice, technician, engineer and product developer.

**THE INSTITUTE OF PHYSICS**

England & Wales - Charity number 293851

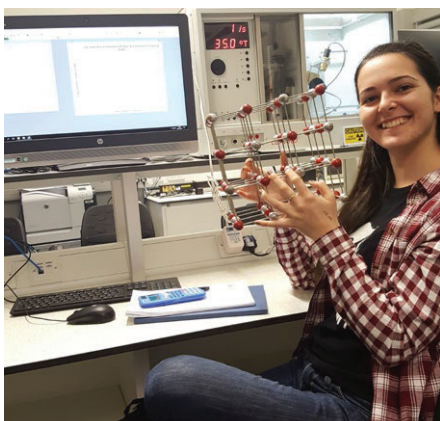
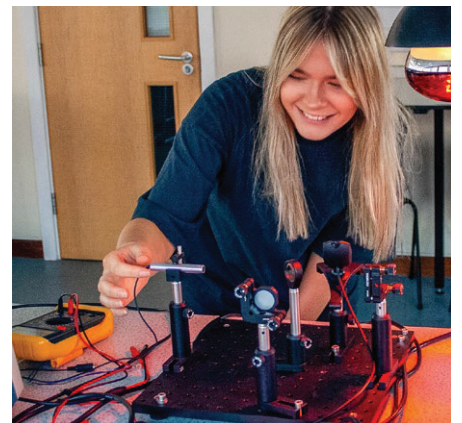
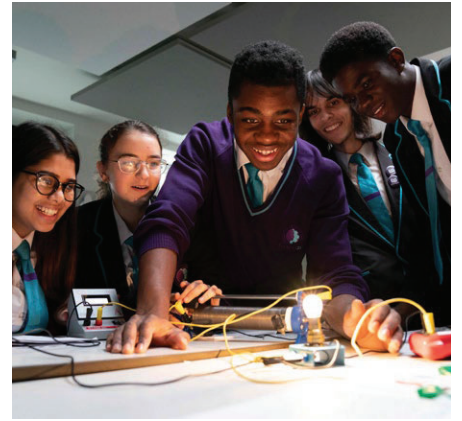
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# Accounts

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# Annual Report 2020



# **Trustees' Annual Report and Financial Statements for the year ending 31 December 2020**

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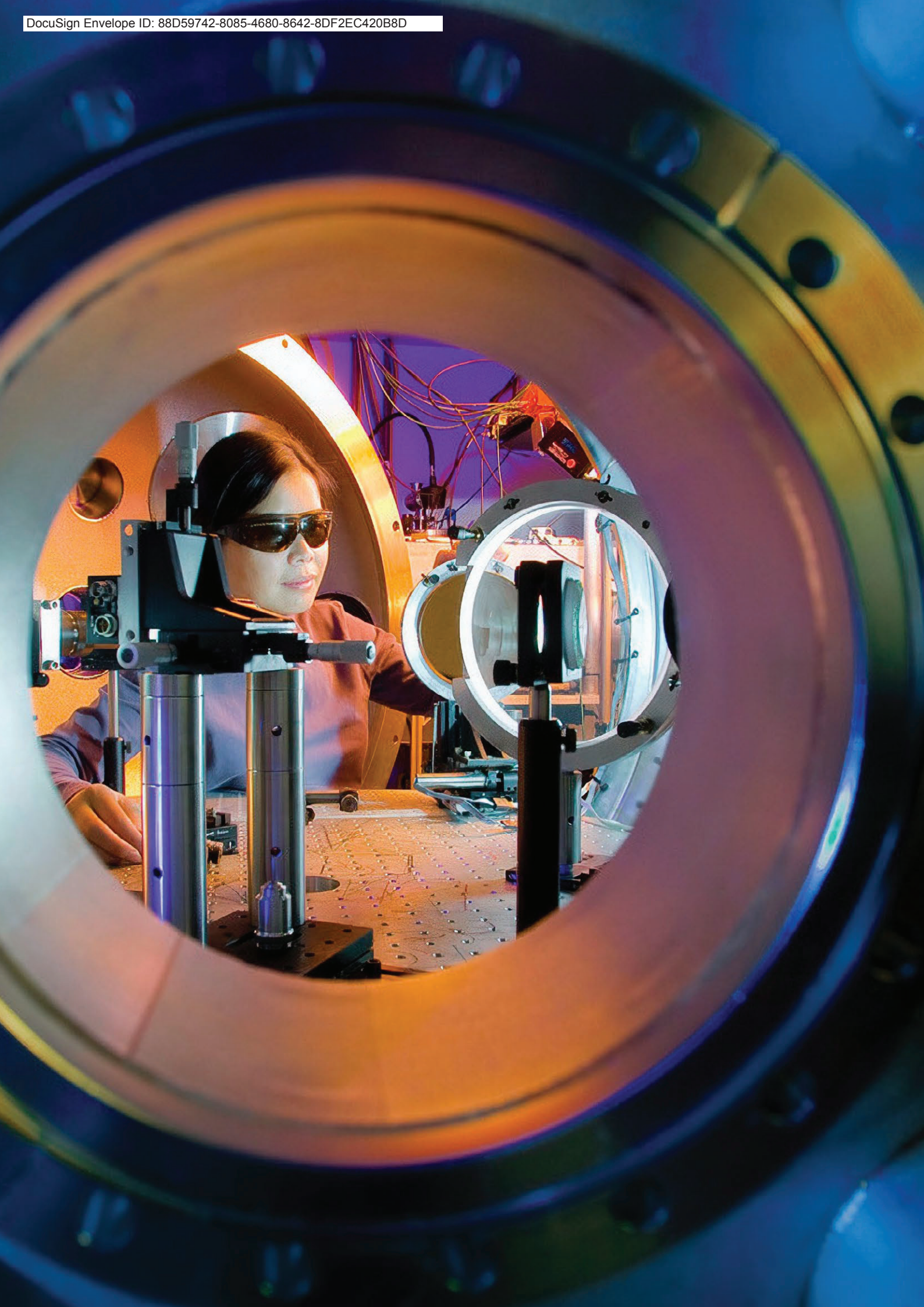
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# Objectives and Activities, Achievements and Performance

**The Institute of Physics (IOP) is the national physical society for the UK and Ireland. The objective of the IOP, as stated in our Royal Charter, is to promote the advancement and dissemination of knowledge and education in the science of physics, pure and applied, for the benefit of the public and the members of the IOP.**

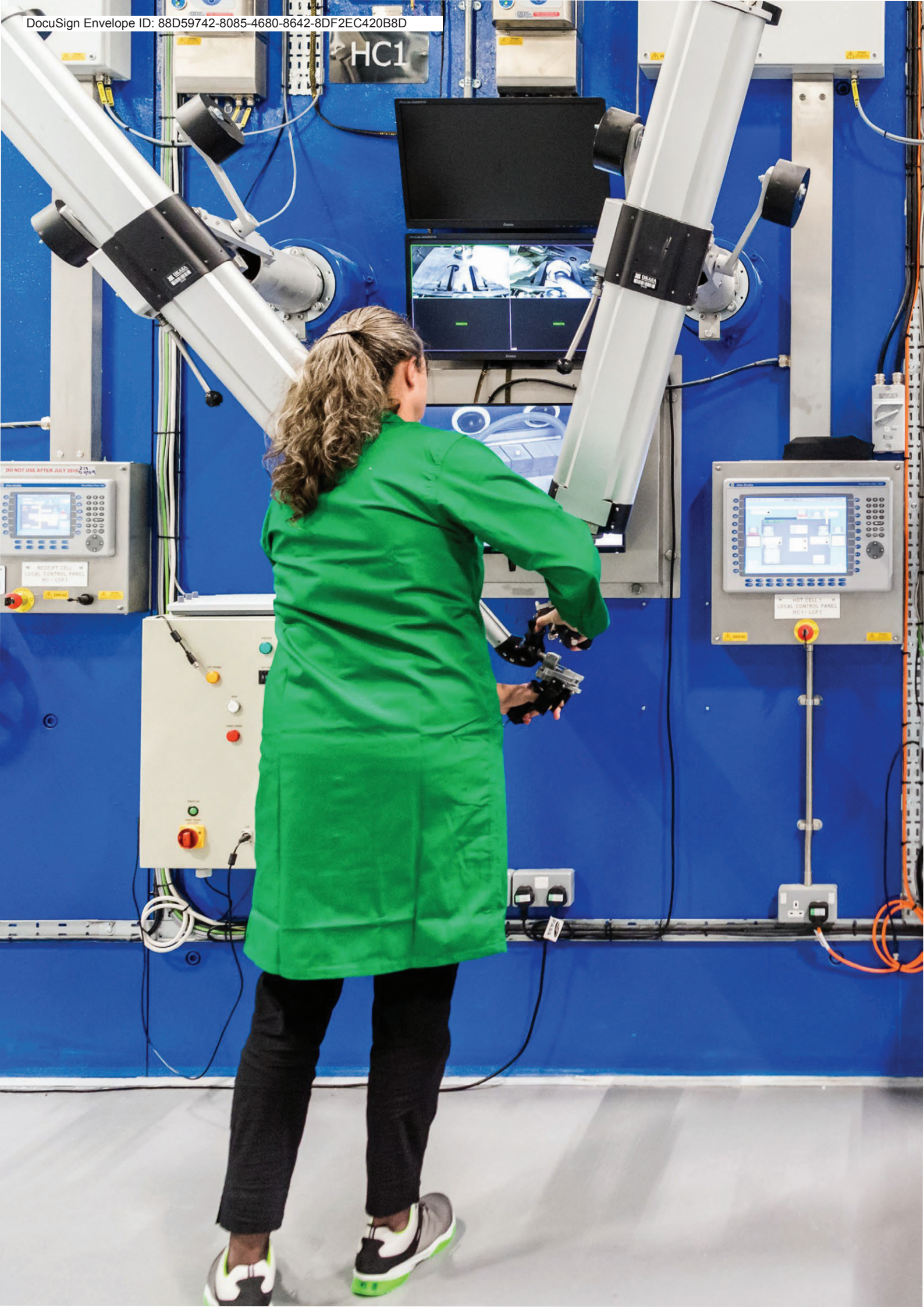
The trustees confirm that they have referred to the Charity Commission and the Office of the Scottish Charity Regulator (OSCR)'s guidance on public benefit when reviewing the IOP's aims and objectives and in planning future activities. The IOP meets the public benefit test in the following ways:

- advancement of education;
  - advancement of science;
  - advancement of community development; and
  - the promotion of equality and diversity.
- The IOP works to advance physics research, application and education, and engages with policymakers and the public, to develop awareness and understanding of physics. The public benefit, which our many and varied activities provide, can be summarised as follows:
- Our support for teachers and curriculum development, by improving the continuing professional development (CPD) of teachers in order to support continued improvements in the quality of physics teaching in schools.
  - Our focus on building a more diverse, inclusive and vibrant physics community. We actively seek to encourage students from under-represented groups to study physics beyond the age of 16, and work relentlessly to break down barriers so all pupils can have a high-quality physics education.
  - Our publication of physics journals, books, magazines and websites, and the scientific meetings and conferences we arrange. These bring high-quality physics research to a wide audience, ensuring the latest physics developments are seen, shared and built upon. IOP Publishing continues to develop an [Open Physics initiative](#) which is intended to support greater access, transparency and inclusivity across physics research.
  - Our efforts to connect physicists working in all sectors, to drive innovation and support the delivery of groundbreaking technologies that will help shape the economies of the UK and Ireland.
  - Our work to raise public awareness of the value of physics. By showing how physics affects all of our lives, we spark interest in the subject and encourage more people to get involved in it.

- Our events and conferences support a thriving physics ecosystem, bringing together the community from across the UK, Ireland and internationally, to share knowledge about the discipline and its applications, explore collaborations and provide networking opportunities.
- Our work to continually increase professional and ethical standards across the physics community, driving excellence and supporting inclusive workplaces.

It's vital that financial concerns do not stop people from engaging in physics. With that in mind, we offer concessionary IOP membership rates for anyone earning less than £21,000 a year (from 1 January 2021). Undergraduates, trainees and apprentices can join the IOP for £15. Our Benevolent Fund provides financial support for IOP members. During 2020 we ensured that the Benevolent Fund was able to offer assistance to members who were financially impacted by COVID-19. And, as part of our commitment to support scientific research globally, researchers in many lower income countries can access our subscription journals or publish in our open access journals at discounted or no cost.

**The IOP works to advance physics research, application and education, and engages with policymakers and the public, to develop awareness and understanding of physics.**



# Beginning to deliver on our new strategy

## Unlocking the Future

2020 marked the first year of our new strategy, Unlocking the Future. As a society we face unprecedented challenges. Globally, we need to address a changing climate and a growing population, to decarbonise economies, improve healthcare and ensure water, food and energy supplies. Domestically, we need to develop the next generation of industries to create jobs and improve productivity to safeguard citizens' futures.

Physics has a vital role to play in tackling these issues and making the UK and Ireland fit for a new industrial era of science, technology and engineering. Our strategy sets out our aim to develop and support a thriving physics ecosystem, unlocking the future for UK and Irish physicists and their work at home and around the world.

Soon after the launch of the strategy, however, a further worldwide challenge emerged – the COVID-19 pandemic – with unprecedented and lasting impacts in the UK, Ireland and across the globe. In this context, 2020 was a year in which we reacted decisively to extraordinary external change while continuing to lay the foundations for achieving our strategic goals. We were able to remain strong and effective, provide support to our own staff team, and to invest significant funds and resources into helping the physics community adapt to new ways of working.

### Unlocking the Future: in summary

Our strategy identifies three key challenges that present the greatest barriers to unlocking the potential of physics and its impact in society:

- **Diversity and skills:** We want to build a thriving, diverse physics community so everyone, regardless of background, has

access to world-class physics education and training.

- **Unlocking capability:** We want to ensure the UK and Ireland are able to realise the full societal and economic benefits of the new industrial era.
- **Public dialogue:** We want to show the impact of physics on people's lives, to enable informed public debate on funding and policy.

To meet these challenges, we have six aspirations for the changed world we want to see at the end of the strategy period. This is a broad and ambitious strategy and our aspirations are also ambitious.

1. Every secondary school pupil in the UK and Ireland will have access to a specialist physics teacher.
2. Girls will make up at least 30% of those taking physics at age 16–19 and there will be double the current number of young people from black and minority ethnic and lower socio-economic backgrounds.
3. There will be clear roadmaps and funding commitments from the UK and Irish Governments that propel research and development investment towards the Organisation for Economic Co-operation and Development average of 2.4% of gross domestic product.
4. Double the current number of people will be employed in technical roles in physics-based and engineering businesses and the number of those on physics-based science apprenticeships will have increased by a factor of 100.

5. Our publishing services to the worldwide physics community will have further improved such that the number of scientists publishing their research in our journals will grow by 25%.
6. 10% of the population will have a meaningful engagement with a physics-based public event and 1% will have sustained contact with physics.

Throughout 2020, we established four interlinked programmes of work to implement the strategy: our ecosystem, productivity and transformation programmes and a new public facing influencing campaign.

We also embedded our values more deeply across the IOP in 2020. These are:

- Be objective, led by evidence
- Be rewarding, open and engaging to partner with
- Confront barriers to inclusiveness and participation wherever we encounter them

- Exemplify the very highest standards in all that we do.

Below, we explore how these new programmes, combined with greater emphasis on our values, helped us to increase our impact in 2020. We also detail how we urgently reacted to the impact of COVID-19 on the physics community.

### Responding to our community

As a professional body and membership organisation, we support our members, recognise their achievements and work with them towards shared goals. Together, we aim to create a bright future for physics, with a sector that is well funded, genuinely diverse, appreciated by society and ready to face our defining challenges.

In 2020, as the COVID-19 pandemic began to spread, we moved rapidly to deliver immediate support and to understand what mattered most to our members. To help our student members increase their skills and prepare for the workplace, we ran online workshops and webinars on subjects ranging

## 100th anniversary of the IOP

2020 marked the 100th anniversary of the IOP. Throughout our centenary year, we celebrated the role of physics and physicists in the UK and Ireland over the past 100 years, highlighting their importance in today's society as well as their immense potential for the future.

In November, we hosted a joint lecture on climate change policy with the German Physical Society who were celebrating their 175th year. We also hosted an online talk from NASA Chief Technologist Dr Douglas Terrier to discuss the landing of the first woman, and next man, on the Moon. And to consider how physics has changed over the last 100 years, we invited six of our members to give us their personal view of the changing landscape, looking at the physicists who inspired them and the discoveries and innovations that have helped shape our lives.

We launched several initiatives that will help us create a legacy that will last well beyond our anniversary year. Our new [careers hub](#) is an important and growing resource to support anyone considering a future with physics. As part of our continuing commitment to highlight the importance of technical roles and apprenticeships in physics, we widened our Awards to include technicians, employers and apprentices, with two technicians awarded Honorary Fellowships in 2020. And we launched [Looking Glass](#), a major new series of podcasts. Designed to appeal to a wide audience, it explores some of the most pressing challenges society faces today, asking what role physics has in solving them. The series also takes a timely look at the purpose of a scientific institution in the 21st century, to help us understand how we must evolve to be part of a modern society, and to help shape it.



from the Python programming language to tailoring CVs. We published guidance on continuing professional development throughout the year, and launched a range of new resources on our career development hub. And to support universities through the crisis, we published detailed guidance on continuing to award IOP-accredited qualifications remotely.

We also froze membership fees for 2021 and increased the financial help available to members through the Benevolent Fund.

On the publishing side, IOP Publishing's technology, sales and customer services supported libraries around the world to provide remote access to content for their users, and we also made any COVID-19-related articles free to read to support the response effort.

Focusing on the longer-term impact of the crisis, we then launched a consultation with our members and other leaders in the physics community to understand people's changing needs and priorities. Through online meetings and interviews with individuals spanning research, business, policy and government, we defined 10 key focus areas:

- Supporting physicists' careers, especially in light of the pandemic
- Working with the Treasury to ensure that research funding is protected and attracted
- Highlighting physics' contribution to the fight against COVID-19
- Supporting examining bodies to develop effective assessments
- Supporting teachers with remote working
- Building partnerships and networks to accelerate the pace of innovation
- Ensuring physics businesses can access funding, facilities and the best support and advice
- Ensuring the supply of physics teachers was not disrupted by the pandemic

- Ensuring students' physics prospects were not permanently damaged by the pandemic
- Exploring how to engage with the IOP community virtually, as well as through physical events, in the long term.

These themes aligned closely with our strategy. As such, the strategy remained both relevant and robust enough to meet the immediate and ongoing impacts of COVID-19. Our commitment to delivering on it also grew stronger than ever.

## **Our ecosystem programme**

### **Building a diverse, thriving and effective physics community**

Our 2020 work to nurture the physics ecosystem was wide-ranging, with our Giving Voice to Inclusion programme a central focus of our efforts to foster a more representative physics community. This project looks beyond diversity to inclusion – the sense of belonging, of being treated with fairness and of feeling trust in those around you. A diverse workforce does not guarantee inclusion, so we want to understand people's experiences of feeling included and excluded, wherever they are in the physics landscape. With that knowledge, we can take action that will help break through the barriers that keep people out of physics.

In November 2020, we launched an interactive discussion to introduce the Giving Voice to Inclusion programme to the physics community. Our focus in this work is on listening, so we then spoke with Equality, Diversity and Inclusion experts and held focus groups with a diverse cross section of members and non-members. These conversations highlighted themes that were then explored in a survey sent to all members and to the wider physics community. The survey results will guide our future work, as we seek to tackle the challenges that can prevent an inclusive environment in places where physicists are educated, trained and work.

In October, we also published our latest [IOP member diversity survey](#). This is a crucial piece of research as we seek to ensure the physics community becomes more representative of society. The survey showed that our progress

has been too slow as a community, underlining the need for our greater emphasis on diversity and inclusion.

In December 2020, we published [Subjects Matter](#), a major report recommending a UK-wide system of subject-specific CPD for all teachers to help increase the quality of teaching in our schools, improve educational outcomes for all students, and boost economic growth and prosperity across the UK. To develop the report, we drew on the evidence, our own experience of managing the Stimulating Physics Network for the last 14 years, and the input of subject organisations across all subjects.

We also broadened our efforts to make sure young people can access a quality physics education. Much of this work was inevitably affected by the impact of COVID-19, but we responded swiftly and in ways that proved welcome and effective. For example, by moving much of the work of our Stimulating Physics Network online, we delivered more than 10,000 hours of physics-specific (CPD) to teachers from nearly 500 schools, as well as developing a range of CPD video resources for teachers to watch and discuss with IOP experts. We have also worked with governments and regulators to ensure that their proposals for alternatives to examinations are equitable and workable, and do not adversely affect any groups – especially those that are currently under-represented in physics.

Similarly, we developed video and text resources to enable physics teachers to teach imaginative and inspiring lessons while working remotely. We saw a fourfold increase in visits to [IOPspark](#), our online resource for teachers. In October to November 2020 alone, the site had more than one million page views. And we continued to partner with the Department for Education (DfE) to award 150 scholarships to the IOP Teacher Training programme for high-achieving graduates. The application process for these scholarships was again swiftly moved online, as we maintained our focus on addressing the serious shortage of physics teachers. As well as working to maintain the supply of teachers, we initiated new projects to improve retention in teachers' first years and, during the

## The IOP Challenge Fund

To underline our own commitment to help resolve some of the world's most acute challenges through physics, we launched our £10m [IOP Challenge Fund](#) in 2020. Through this significant commitment, we want to identify and support plans and initiatives with partners who share our ambition and sense of urgency. Formed using part of our operating budget that has now been turned into a competitive funding stream, the initiative will enable the IOP to offer grants, award contracts, work with partners and invest in organisations ready to accelerate large-scale change.

pandemic, worked with governments to ensure that trainee teachers have had as much teaching experience as possible in preparation for their first jobs in 2021.

Stimulating and supporting a high-performing physics sector is another central strand of our ecosystem programme, and our Special Interest Groups, Nations and Branches went to inspiring lengths in this regard. Collectively these member-led groups delivered more than 40 online conferences, events and talks to help the physics community stay connected and keep learning, with over 6,000 people registered in total. [Photon 2020](#), a major optics and photonics conference organised within months of the first lockdown, showed the level of the Groups' ambition, with 200 speakers sharing their knowledge over a four-day virtual conference.

We also recognised excellence in our [Institute of Physics Awards](#) and [Business Awards](#) programme, and welcomed six new Honorary Fellows to the IOP. These included the first technicians to be recognised by the award of an honorary fellowship: [Rachael Buckley](#) and [Paul Cook](#).

We took another step towards ensuring physics is accessible to all with a new Irish Sign Language (ISL) project that is being delivered by Dublin City University. We will create an ISL



Glossary of 75 physics and astronomy signs – the first dedicated set of signs for physics and astronomy that has been produced anywhere.

### **Our productivity programme**

#### **Unlocking the full value of physics to society and the economy**

Following extensive input to government consultations and reviews throughout the year, we welcomed two landmark developments in 2020. Firstly, the UK government renewed its commitment to increase public investment in research and development (R&D) to 2.4% of GDP. Secondly, the Brexit agreement ensured that UK-based researchers will remain eligible for research funding, despite the UK leaving the European Union.

The R&D commitment was rumoured to be at risk due to the economic devastation caused by COVID-19. But, together with a range of like-minded organisations, we successfully worked with the Treasury, submitting multiple consultation responses. These outlined the need for a continued focus on innovation as part of efforts to rebuild the economy after the pandemic and to improve livelihoods over the long term.

Similarly, throughout 2020 it frequently looked as though a Brexit deal that would protect UK research funding was out of reach. Adding our voice to a chorus of concern, we made clear that leaving the EU without a deal would risk the UK being left behind in science, technology and engineering. In December, we welcomed the announcement that the UK can continue to participate in the Horizon 2020 and Horizon Europe EU research frameworks. We also immediately began preparing guidance on the Brexit agreement's impact for students, businesses and researchers in the UK and Ireland.

Our own work to tackle the issues that inspired our strategy included collaborating with the Henry Royce Institute. Royce selected the IOP to help convene a research community to explore novel materials and processes that could help to deliver affordable green energy. We undertook a technical road-mapping exercise as part of this work in 2020 and look

forward to ongoing collaboration towards this critical challenge.

Looking to the future, we began developing major new pieces of research last year on workplace skills and innovation within physics-based businesses. Both will launch in 2021 and will combine novel research with data and analysis gleaned from Physics Insight, our in-house data visualisation capability. Physics Insight tracks trends and developments in physics funding, research, publications and patents to build a picture of the physics landscape. Our objective for these new research projects is to understand what skills and knowledge employers value most, so we can most effectively support pioneering applications of physics.

### **Our influencing campaign**

#### **Supporting young people to change the world by doing physics post-16**

Limit Less, our first public influencing campaign, launched in October 2020. Our staff and members developed Limit Less together, and through the campaign we want to support young people to change the world and fulfil their potential by studying physics beyond the age of 16.

Limit Less is built on the experiences and insights of young people, those who care for them, and our members. When we were developing the campaign, we surveyed thousands of 14- to 21-year-olds, parents and carers to understand their perceptions of physics and physicists. We also asked members to share experiences of when they had been discouraged from pursuing physics.

Two clear themes emerged from this research. Firstly, some young people are put off by misconceptions about physics. It is seen as too difficult, not creative or just plain boring. Secondly, prejudices persist about who can be a physicist. Girls are told physics is for boys. Young people are told physics is not for them because of their ethnicity, sexual orientation, disability or social background.

Through this campaign, we want to dispel these fallacies. The campaign is not aimed directly

at young people, but at the people – from teachers to parents to politicians – who shape their decisions and opinions.

Since Limit Less launched, we have begun working to shift perceptions in families, communities, nurseries and schools, and in the media and on social media. We are also building relationships with organisations and individuals focused on disability, LGBTQ+ rights, poverty and more to build our understanding and to help build a more diverse physics community.

We have published a range of online stories from physicists who have experienced and overcome the obstacles we are challenging in the campaign. And we have linked with YouTube to curate content on the site's physics learning area in order to challenge misconceptions about physicists in the media. We also promoted the campaign to MPs during Sense About Science's Evidence Week and contacted all members of the Scottish Parliament and the Assemblies in Wales and Northern Ireland. And to show that physics is anything but boring, we have published a series of online science experiments for parents to do with their children – [Do Try This At Home](#). Working in all of these ways, we want to limit young people less and support them more.

### **Our transformation programme** **Becoming a stronger organisation to deliver on our strategy**

The level of ambition in our new strategy requires us not only to work with more partners more effectively than ever, but to transform how we work ourselves. This goes beyond our systems and processes to the values and culture that define who we are.

In 2020, we focused on progress in four areas: leadership and management; organisational planning and performance; knowledge and decisions; and effectiveness and efficiency. Alongside our efforts to embed our values across the IOP, this multifaceted approach should empower all staff to be part of a higher performing organisation.

### **Working through COVID-19**

The wellbeing of our staff has been a critical priority throughout the COVID-19 pandemic. From the earliest days of the crisis we encouraged flexible working for staff who needed to care for others, and we moved fast to ensure all IOP employees had the technology they needed to work effectively from home. We have also sought to strengthen communications with staff through what has been a difficult time for everyone, with senior leadership briefings and staff-led meetings online. No staff have been furloughed during the pandemic, and our focus throughout has been on maintaining a sense of community among IOP employees, even when we have not been able to work together physically.

To improve the level of knowledge and decision making across the IOP, we created new cross-organisational groups of senior staff. To enhance organisational effectiveness, we reviewed staff performance competencies. To boost efficiency and effectiveness, we moved swiftly to remote working tools – a switch accelerated by the COVID-19 pandemic – and improved our customer relationship management and data systems. And to improve organisational planning, we created a single centralised business plan. All of these shifts will strengthen our ability to deliver on our strategy in the coming years.

At the same time, a team of staff from across the IOP led a process to create behaviours linked to our values. Close to 90% of staff took part in consultations run by the team, with the resulting behaviours now guiding the way we work together.

We also took another step on our digital transformation journey, taking our website out of beta, migrating content and decommissioning old sites. Our new website is more accessible and mobile-friendly. This move marked a milestone in our journey towards transforming our digital platforms.

## **IOP Publishing (IOPP)**

### **Driving physics research forward**

IOPP is a subsidiary of the IOP and a leading international scientific publisher. Its commitment to fostering physics excellence and diversity could be seen throughout 2020.

IOPP launched the world's first peer review certification programme tailored for the physical sciences, with the aim of creating a future generation of outstanding peer reviewers. It also became the first physics publisher to move to double-anonymous peer review, a shift that should make the review process more diverse and representative. And it continued the roll out of transparent peer review across more publications, showing the full process from initial review to final decision.

Open access was another key focus, with IOPP launching a further three new fully open access journals over the course of the year and announcing its Open Physics initiative in February 2020. This initiative sets out IOPP's commitment to promote and support open science practices across the physical sciences through wider and faster research access, greater transparency and broader inclusivity.

Putting this commitment into action, IOPP joined the Research4Life partnership, which makes research information available in low- and middle-income countries. And it linked with 16 other major physics societies to publish a joint statement in support of open access publishing, calling for a pragmatic, inclusive and financially sustainable approach. IOPP has also been working with the IOP to inform the current review of UK Research and Innovation's open access policy, highlighting the need for a smooth and inclusive transition which preserves researcher choice and the sustainability of high-quality publishing services.

In addition, IOPP continued running pioneering conferences and events despite the pandemic, looking to increase international cooperation between physicists. Its first Twitter poster conference saw a stream of people sharing research with peers and experts on the social network, while Quantum 2020,

IOPP's first virtual quantum conference, brought together nearly 4,500 researchers worldwide. Quantum 2020 was organised with the IOP in partnership with the Chinese Physical Society and the University of Science and Technology of China.

### **Plans for 2021**

During 2021 we will continue to work towards the aspirations set out in our strategy, *Unlocking the Future*. Here we outline some of the projects, programmes and initiatives planned for the coming year.

Diversity and inclusion continue to be at the heart of our work and we remain determined to make the physics community a more welcoming and supportive place for people from all backgrounds. This year we are reviewing our flagship Juno programme to support inclusive practice in university and college departments. We will take forward what we have learned through our Giving Voice to Inclusion consultation, in which we invited members of the physics community to share their insights and experiences, to help us better understand the barriers to inclusion in physics and how we can address them.

We will continue to grow our groundbreaking influencing campaign, *Limit Less*, which seeks to increase the number of young people from underrepresented groups who do physics from age 16. We will also develop work with universities to provide academic and pastoral support at Year 12. Outcomes from a pilot phase during 2021 will be closely monitored and lessons learned about how this support can drive greater participation among under-represented people.

As part of our work to improve access to specialist physics teaching, we will work with stakeholders across all subjects to call on UK governments to invest in creating a more confident, engaged teaching profession, through a sustained, world-class system of subject-specific CPD for all teachers. This will be complemented with a community-led initiative to bring together teacher support with professional development.



As we work to increase technical roles in physics-based and engineering businesses, we will lead work to increase our understanding of the need for physics skills in the workforce, and build on this with a new initiative working with small and medium sized enterprises on technician roles.

Our public engagement will continue through our ongoing events programmes, which we will make more inclusive. We will continue to produce our Looking Glass podcast series, and we will engage more with the wider community through a series of conversations.

Much of our work through the life of the strategy will be catalysed by the IOP Challenge Fund. For example, our aspiration for clear roadmaps and funding commitments from governments to support research and development will be advanced through a new Physics Leadership Commission, initiated through the Fund.

During 2021, new funding streams will be brought online through calls for proposals from the physics community and beyond, leveraging resources and building partnerships to speed our progress. This includes a strand to support the physics community to recover from the damage suffered through the COVID-19 pandemic – an essential component in addressing the challenges identified in our strategy.

Finally, a continuing process of organisational transformation will ensure we are equipped to deliver this ambitious work. This will include the continued development of our digital programme, a major review of our governance and an enhanced presence in Ireland, with a new office in Dublin and our application for registration as a charity in the Republic of Ireland.

# Structure, Governance and Management Constitution

## Constitution and Governing Document

Tracing its roots back to 1874 and the Physical Society of London, but originally incorporated in 1920, the IOP as currently constituted was established by Royal Charter on 30 September 1970 (as subsequently amended). This Royal Charter, which is supplemented by Bylaws and Regulations, is the IOP's governing document.

## Registered Details

The IOP's registered name is the Institute of Physics. Its principal office address is 37 Caledonian Road, London N1 9BU.

The IOP is a charity registered in both England and Wales (no. 293851) and in Scotland (no. SC040092), and is therefore regulated by both the Charity Commission for England and Wales (CCEW) and the Office of the Scottish Charity Regulator (OSCR). The CCEW is the IOP's lead regulator.

The IOP has also applied for registration as a charity in the Republic of Ireland and has submitted an Expression of Intent for Registration as a Charity in Northern Ireland.

## Professional Advisers

Details of the IOP's professional advisers are as follows:

### Independent Auditors

PricewaterhouseCoopers LLP, 2 Glass Wharf, Bristol BS2 0FR

### Investment Advisers

Lane Clark & Peacock LLP, 95 Wigmore Street, London W1U 1DQ

### Tax advisers

Deloitte LLP, 3 Rivergate, Temple Quay BS1 6GD

## Solicitors

Eversheds, 1 Callaghan Square, Cardiff CF10 5BT

The IOP does not however have a sole appointed solicitor or formal panel of solicitors.

## Annual General Meeting

Each year the IOP holds an Annual General Meeting, the rules of which are set out in the Bylaws and Regulations, at which all members are entitled to attend and vote. Membership fees, any changes to the Bylaws and the appointment of the auditors are approved by the membership at the Annual General Meeting.

## The Council (Board of Trustees)

As set out in the Royal Charter, the IOP is governed by its Council. This consists of trustees elected from, and by, the membership, and up to three co-opted trustees who are appointed by the Council itself.

All members of the Council are also the trustees of the IOP. The Council has the ultimate responsibility for directing the affairs of the IOP, ensuring that it is solvent, well-run and delivering the charitable outcomes for the benefit of the public for which it has been set up. The Council sets and monitors the IOP's strategy which delivers these charitable outcomes.

Of the elected Council members, there are four senior officers and currently four Vice-Presidents. The senior officers are the President, President-elect, Honorary Secretary and Honorary Treasurer. The current four Vice-Presidents are for Business, Education, Membership, and Science and Innovation. There are ten additional elected Council members.

Certain Council members have lead responsibilities for important cross-cutting areas such as equality, diversity and inclusion, and the IOP's international programme.

Co-opted Council members are appointed as required.

There are currently 19 members of the IOP Council (including one co-opted member).

The Council currently meets four times per year. All Council members give their time voluntarily and are not remunerated for their work on behalf of the IOP beyond the reimbursement of reasonable expenses.

### **Elections to Council**

The rules governing the election of Council members are set out in the Bylaws. At the start of each calendar year, the number of vacancies that will arise that year is identified. With delegated powers from the Council, the Nominations Committee then evaluates the balance of skills, knowledge, experience and diversity of Council members and, in the light of that evaluation, prepares a description of the role and capabilities required for each particular vacancy on the Council. A notice of vacancies, along with role descriptions, is published and all members are eligible to nominate themselves.

The Nominations Committee then assesses the nominations received from members to confirm eligibility and that candidates meet the requirements laid out in the role descriptions. Where there is more than one nomination for any vacancy, a ballot takes place. Where there is only one nomination for any vacancy, that nominee is deemed elected assuming they meet the eligibility and role description requirements.

Council members generally serve one four-year term. Exceptions to this are the President who serves a two-year term plus two years immediately preceding that as President-elect, and the Honorary Treasurer and Honorary Secretary who are eligible for election for a second four-year term. Co-opted members are appointed annually for a maximum term of three years.

### **Induction and Training of Trustees**

Formal induction is given to all new trustees who are invited to attend meetings with IOP staff and advisers as part of the induction process. Trustees are also able to attend external training courses for charity trustees.

### **Conflicts of Interest**

Trustees have a duty to declare conflicts of interest so they can ensure that at all times they are taking decisions that are in the best interests of the IOP.

The IOP maintains a register of trustees' interests, which is updated annually by trustees and as any changes are reported.

Procedures are in place for managing conflicts of interest that may arise during Council meetings.

## Details of Trustees

Details of the trustees at the date of this report are as follows. There are no corporate trustees or trustees holding property for the IOP.

Role	Name	Term From	Term End
President	Jonathan Flint CBE FEng FInstP	1 October 2019	30 September 2021 <sup>1</sup>
President-elect	Professor Sheila Rowan CBE FRS FRSE Hon. FInstP	1 October 2019	30 September 2021 <sup>2</sup>
Honorary Secretary	Professor Brian Fulton FInstP CPhys	1 October 2017	30 September 2021 <sup>3</sup>
Honorary Treasurer	Professor David Delpy CBE FRS FEng FMedSci FInstP CPhys	1 October 2019	30 September 2023 <sup>4</sup>
Vice-President for Business	Dr John Bagshaw FRAeS FInstP CEng CPhys	1 October 2020	30 September 2024
Vice-President for Education	Dr Lisa Jardine-Wright FInstP CPhys	1 October 2020	30 September 2024
Vice-President for Membership	Dr Mark Telling FInstP CPhys	1 October 2017	30 September 2021
Vice-President for Science & Innovation	Professor Martin Freer FInstP	1 October 2019	30 September 2023
Ordinary Member	Dr Tariq Ali FInstP FRAS CPhys	1 October 2018	30 September 2022
Ordinary Member	Dr David Boyce FInstP CPhys	1 October 2018	30 September 2022
Ordinary Member	Dr Gayle Jodine Calverley- Miles MInstP MBCS MIScT CSci CPhys	1 October 2019	30 September 2023
Ordinary Member	Dr Tamara Cleford FInstP CEng CPhys	1 October 2018	30 September 2022
Ordinary Member	Professor Claudia Eberlein DiplPhys DPhil FInstP CPhys	1 October 2020	30 September 2024
Ordinary Member	Professor Wendy Flavell FInstP CPhys	1 October 2017	30 September 2021
Ordinary Member	Professor Martin Hendry MBE FRSE FInstP	1 October 2019	30 September 2023
Ordinary Member	Dr June McCombie MBE FInstP FRAS FRSC CPhys	1 October 2017	30 September 2021
Ordinary Member	Dr Alix Pryde FInstP	1 October 2019	30 September 2023
Ordinary Member	Professor Anne Tropper FInstP FOSA CPhys	1 October 2017	30 September 2021
Co-opted Member	Dr Peter van der Burgt FInstP CPhys	2 May 2019	30 September 2021

1 Was President-elect from 1 October 2017 to 30 September 2019

2 To be President from 1 October 2021 to 30 September 2023

3 Eligible to stand for election for second term

4 Eligible to stand for election for second term

Details of the trustees during the reporting period but who have now retired are as follows:

Role	Name	Appointment Date	Retirement Date
Vice-President for Business	Dr James McKenzie FInstP CEng CPhys	1 October 2016	30 September 2020
Vice-President for Education	Dr Carol Davenport FInstP CPhys CSciTeach	1 October 2016	30 September 2020
Ordinary Member	Professor Becky Parker MBE Hon.FInstP CPhys	1 October 2016	30 September 2020
Co-opted Member	Professor Jim Al-Khalili OBE FRS FInstP	1 October 2017	30 September 2020

### Decision-making and delegations

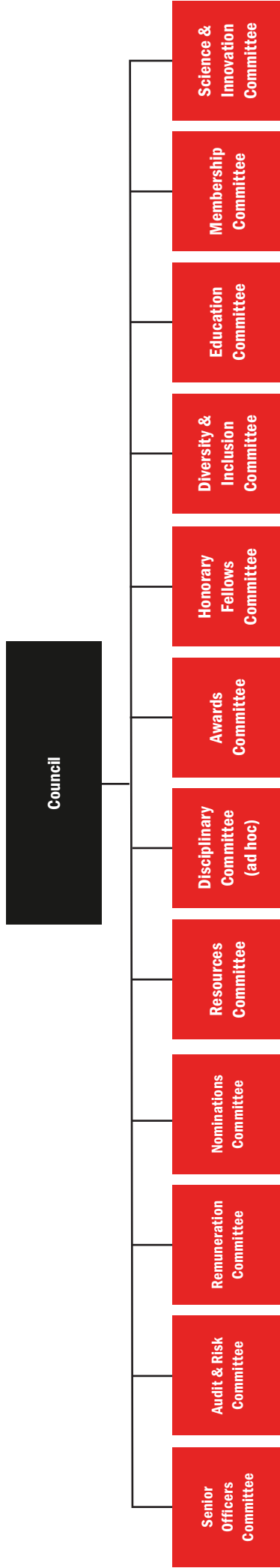
Key strategic decisions affecting the IOP are made by Council but, in the interests of good governance and efficient management, it delegates consideration of matters in specialist areas to its standing committees under agreed terms of reference for those committees. It also delegates powers to take executive and management decisions to the Group Chief Executive Officer through the Regulations, agreed Annual Budget and Delegations of Authority Matrix.

### Committees

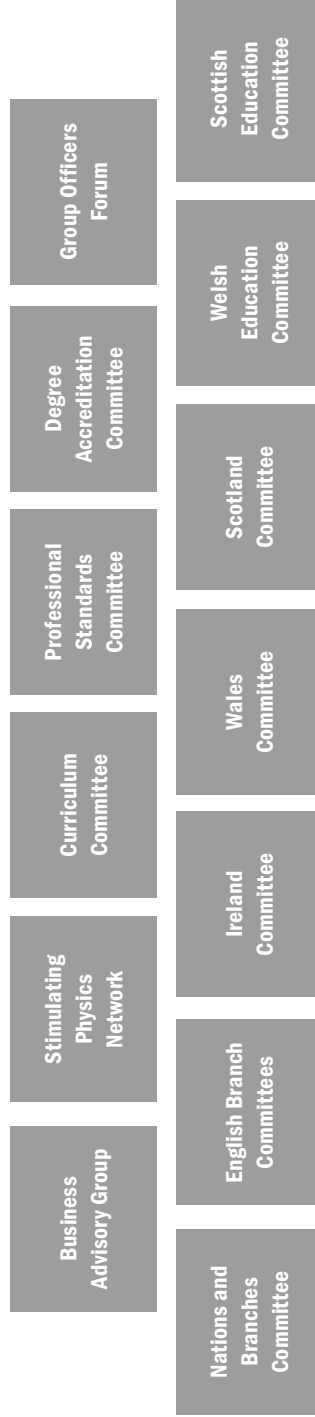
The Council has a number of standing committees with delegated powers, thus ensuring that the required time and attention is applied to overseeing specific areas of interest. The terms of reference and delegated power of these committees are set by the Council. Committee membership is not limited to Council members, thus allowing for both wider representation from the membership and receipt of specialist external advice where appropriate.

The standing committees as at 31 December 2020 are set out on the following page and are marked in red.

# IOP Council and Committee Structure



## Other committees and groups that advise IOP and its Council



## Executive and senior management

The day-to-day management of the IOP Group and its activities is delegated to the Group Chief Executive Officer, supported by an executive management team.

The day-to-day management of publishing activities is delegated to the Chief Executive of IOP Publishing Limited (prior to 8 March 2021 this role was titled Managing Director of IOP Publishing Limited). IOP Publishing Limited has its own board of directors and a number of subsidiary undertakings that support the delivery of the publishing programme.

The IOP Group senior management team in 2020 and to the date of this report was:

Role	Name
Group Chief Executive Officer	Professor Paul Hardaker FInstP FRMetS CMet
Group Chief Financial Officer	Michael Bray FCMA (until 31 December 2020) Sukhraj Dhadwar FCCA (commences August 2021)
Deputy Chief Executive, IOP	Rachel Youngman
Director of Policy & Public Affairs, IOP	Tony McBride
Director of Physics Programmes, IOP	Philip Evans (until 31 December 2020)
Director of Science, Innovation and Skills, IOP	Louis Barson (from 5 April 2021)
Managing Director, IOP Publishing Limited	Steven Hall (retired 5 March 2021)
Chief Executive, IOP Publishing Limited	Antonia Seymour (from 8 March 2021, previously Publishing Director)

## Remuneration of the senior team

The pay and remuneration of the group senior management team is set and monitored on behalf of Council by the Remuneration Committee. The Committee comprises the President, President-elect, Honorary Secretary and Honorary Treasurer, and is supported by several separately appointed external advisors. The Committee commissions, each year, relevant external benchmarking information from both the publishing and charity sector to support its decision-making, and, when necessary, takes additional advice from specialist organisations.

Please see note 10 to the Financial Statements for further information.

## Governance Review

In 2020 and 2021, the IOP undertook a comprehensive review and consultation with its members and the wider physics community of its governance and membership engagement arrangements. This was with a view to ensuring that, as it moves into its second century, it is, and remains, a modern, well-governed and responsive organisation which continues to serve the public and satisfy its charitable objectives as well as being one of which its members can be proud and where they can be engaged and have a voice on its future direction.

This has led to some proposed changes to its governance and committee structures which will be reported in more detail in the Annual Report for the year ending 31 December 2021, but includes the dissolution of the Senior Officers Committee and, from 1 October 2021, the development of new terms of reference for key committees, the establishment of a Finance & Investment Committee in substitution for the Resources Committee and the clearer separation of Council governance committees from those focused on member engagement.

## Impact of COVID-19 on IOP Governance

The IOP has coped well with the imposition of social-distancing measures arising from the COVID-19 pandemic. The full governance cycle of Council and core governance committee meetings has continued uninterrupted, with all Council and core governance committee meetings being held virtually by video conference. There has been no significant impact on the IOP's governance or controls as a result of the COVID-19 pandemic and at each of its meetings the Council has reviewed a COVID-19 financial and risk management plan. This has kept under close review people; finances; contract liability; and organisational cashflow.

## Group Corporate Structure

The IOP has a number of subsidiary undertakings, as outlined below and in the structure chart on the following page.

To ensure clarity and appropriate governance, there are a number of agreements in place that define and describe the provision of intra-group services.

The main trading subsidiary undertaking of the IOP is IOP Publishing Limited (commonly known as IOPP).

IOPP is a wholly owned subsidiary of the IOP and is incorporated in England and Wales. Its principal activity is the publication and distribution of high-quality scientific journals, books, conference proceedings and magazines.

IOP Publishing Limited has a number of further trading subsidiary undertakings as follows:

### **IOP Publishing Consultants (Beijing) Co. Limited**

IOP Publishing Consultants (Beijing) Co. Limited is a wholly owned subsidiary of IOP Publishing Limited and is incorporated in China as a wholly foreign-owned enterprise (WFOE). Its principal activity is to provide services to IOP Publishing Limited, including publishing consulting, electronic technology consulting, business consulting, market information consulting and corporate management consulting.

### **IOP Marketing and Promotion Services Private Limited**

IOP Marketing and Promotion Services Private Limited is 99.99% owned by IOP Publishing Limited with the remaining 0.01% of share capital owned by the IOP.

It is incorporated in India. Its principal activity is promotion and marketing services for IOP Publishing Limited.

### **Turpion Limited**

Turpion Limited is a wholly owned subsidiary of IOP Publishing Limited and is incorporated in England and Wales. The principal activity of the company throughout the year was the publication of English-language translations of Russian journals.

### **Turpion-Moscow Limited**

Turpion-Moscow Limited is incorporated in Russia and is a wholly owned subsidiary of Turpion Limited.

IOPP also has a branch in Japan which is non-incorporated.

The IOP also has the following trading subsidiary undertakings:

### **IOP Publishing Inc.**

IOP Publishing Inc. is a not-for-profit corporation of which the IOP is the sole corporate member. It is incorporated in the USA. Its principal activity is to provide publishing services to IOP Publishing Limited. All such services are provided solely in support of the IOP's charitable and educational activities.

### **IOP Business Publishing Inc.**

IOP Business Publishing Inc. is a wholly owned subsidiary of IOP Publishing Inc. It is incorporated in the USA. Its principal activity is to provide advertising-sales services.

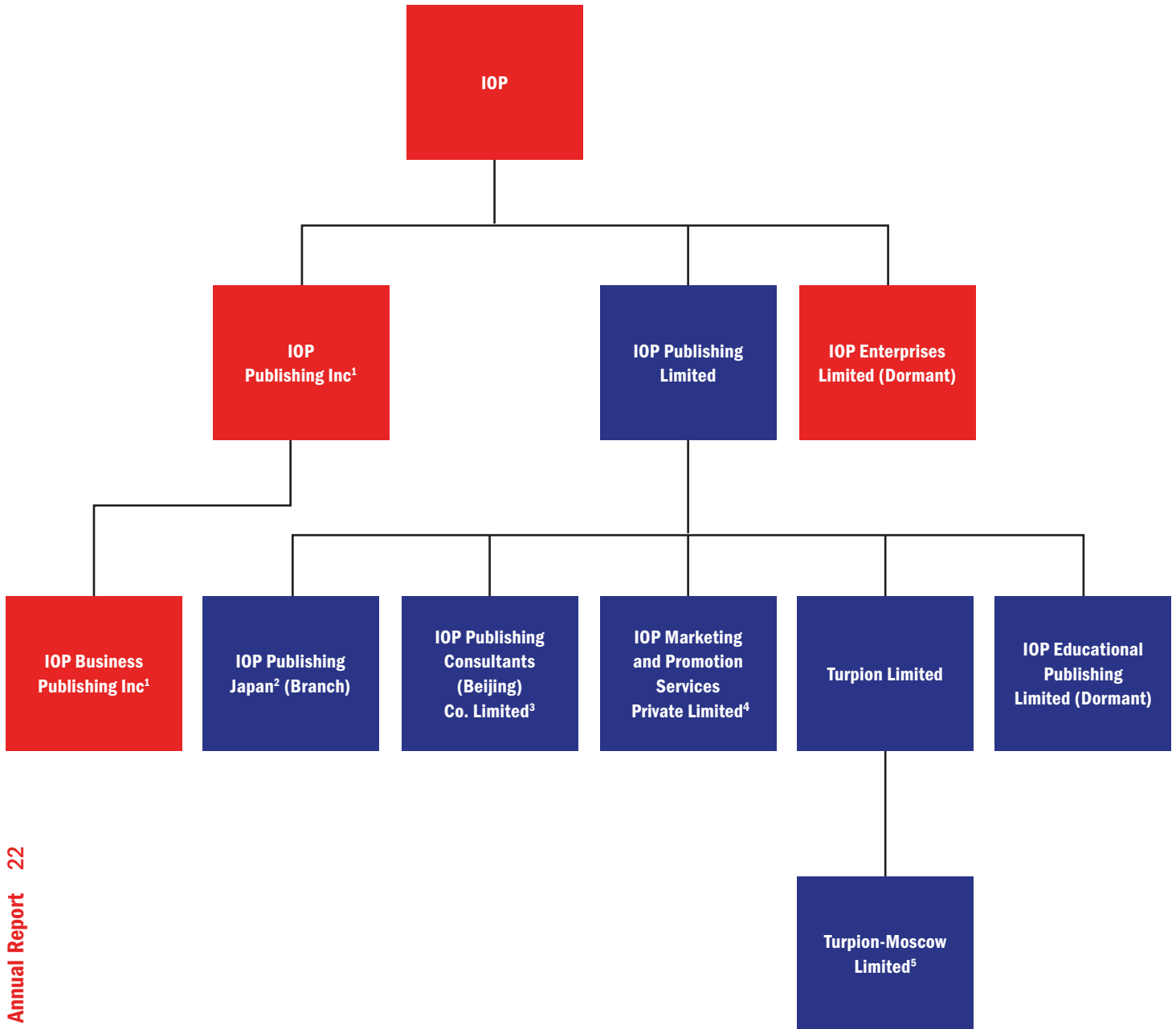
With the exception of IOP Marketing and Promotion Services Private Limited, all companies are wholly owned subsidiaries of their immediate holding company.

There are two further Group subsidiary undertakings, both of which are currently dormant.

These are:

### **IOP Educational Publishing Limited** **IOP Enterprises Limited**

# IOP Group Corporate Structure



1 Incorporated in USA  
2 Japanese Branch (non-incorporated)  
3 Incorporated in China  
4 Incorporated in India (99.99% owned by IOPP and 0.01% by IOP)  
5 Incorporated in Russia

## Risk management

The Executive Team is responsible for ensuring that proper arrangements are in place for adequate risk management and control.

The Audit & Risk Committee provides an assurance role to Council on these matters and has a remit to:

- review and help identify major areas of risk for the IOP and the Group and to ensure processes exist to manage risk in these areas;
- give oversight to risk management and internal audit;
- bring to the attention of Council any areas of high risk and/or any anomalies brought to light through the audit process;
- review the risk registers and the plans and processes in place to manage and mitigate major risks;
- from time to time investigate certain processes or risks in more detail; and
- review the procedures for handling allegations from whistle-blowers and act as the ultimate destination for whistle-blowers who are not satisfied by the response through the normal channels.

The IOP maintains a register of significant risks and maintains systems to control and manage them. The Audit & Risk Committee reviews the risk register along with the plans and processes in place to manage and mitigate major risks. The Council then receives reports from the Audit & Risk Committee.

During the period of the pandemic, the Council and its relevant Committees (Audit & Risk and Resources) have received reports from the Group Chief Executive Officer on the impact of the pandemic on the IOP and the wider Group, its staff, cashflows and five-year cash plan, and contractual liabilities. 'Reasonable Best Case' and 'Reasonable Worst Case' scenario planning has been undertaken to assess potential impacts on forecast risk envelopes.

The trustees are satisfied that, whilst the pandemic has inevitably had, and will have, an impact on its activities and financial resources, the IOP remains in a strong financial position.

Specifically, Council and the Executive, supported by the IOP's COVID-19 Management Team, continue to maintain a key focus on ensuring:

- the safety and wellbeing of the staff team and also that all key roles remain staffed, with a number of additional staff support measures having been introduced in the period including working from home DSE assessments, the provision of equipment to staff working from home where needed including chairs, desks and monitors, and an enhanced Employee Assistance Programme;
- that at all times contractual liability is mitigated, especially in relation to outstanding contracts for conferences, meetings and events;
- that at all times the IOP remains within agreed reserves limits for the investment portfolio and continues to hold a strong covenant for the defined benefit pension scheme; and
- that impacts on Gift Aid income and future cash flows are monitored on a regular basis.

It is not considered that a change to the reserves policy is required.

Brexit, and the end of the transition period, has posed, and will continue to pose, challenges to the physics and wider science community. However, whilst the situation continues to be monitored closely, particularly the impact on the international operations of its publishing businesses, Brexit is not considered a significant risk to the IOP itself, or its programmes of work across the Group.

In assessing the key risks identified below, the impacts of the COVID-19 pandemic and Brexit have been fully taken into account.

Risk Description	Risk Consequence	Controls, Action, Mitigation
A model of open access mandate is imposed in a manner which is financially unsustainable for learned society publishers.	This would threaten the role and viability of learned society publishers including IOP's own publishing business.	Established IOP position; continued IOPP OA innovation; collaborations (and shared positions) with other UK society/academy publishers; collaborations and joint statements with other national physical societies; and representations to UK policymakers/funders.
The IOP is unable to achieve funding requirements to deliver its strategy and operational business.	The IOP would be unable to support its full strategy as there would be a potential funding shortfall.	Regular review of performance of funding pipeline against target and review of range of funders and suitability of income; fundraising programme in place focusing on individual giving, trusts and foundations, competitive contracts and legacies; investments restructured to generate more of an annual income and growth from reserves; and launch of the Challenge Fund to support strategy delivery.
There is a material IT security breach or critical IT system failure (including breach of digital systems).	Loss or corruption of data, unavailability of business critical applications, reputational damage, contractual breach, legal/regulatory fines, system restoration costs, productivity loss.	Firewall in place with anti-virus, anti-malware and spam filters; daily backups at co-location and restoration tests for files and systems; internet, email and password policies; segregated network for staff and public; regular network audits; specialist staff appointed; and internal audits undertaken.
There is a significant reduction in the value of savings and investments.	IOP would need to take funds from operational budgets in order to meet the reserves policy and the commitments to the DB Pension recovery plan.	Use of specialist investment advisers; investment approach regularly reviewed; and risk-based diversified investment approach adopted.
There is a loss/corruption of employee/member or other personal data or other breach of data protection laws.	Significant regulatory fine, reputational damage.	Training of all staff undertaken; organisational policies and procedures in place; internal audit completed; internal staff expertise; strong IT controls implemented including firewalls, anti-virus, anti-malware and spam filters; and regular network audits and automatic network monitoring applied.
There are changes to accounting policy which removes or replaces the Gift Aid model.	Adverse impact on revenues.	Manage through reserves policy and financial modelling.

## **Our commitment to Equality, Diversity and Inclusion**

Integrity and openness are at the heart of everything that we do. We believe firmly in equality of opportunity for all, confronting barriers to inclusiveness and participation wherever we encounter them. These core values are an expression of what we believe in and how we behave as an organisation. Our programmes are founded on the principles of Equality, Diversity and Inclusion (EDI), from our organisational values and strategy, to our work in schools, with the public and in our policy initiatives. From the Council and the senior leadership through the organisation, there is a deep-seated commitment to ensuring our physics community reflects the wider diversity we see in society and the significant value that brings to physics and to the workplace.

Our EDI focus continues to grow and develop, and has gone from strength to strength, covering a range of strands including but not limited to gender equality, sexual orientation, disability, ethnicity and socio-economic background. The IOP was amongst the first signatories of the Royal Academy of Engineering Diversity Concordat and the Science Council Declaration on Diversity, Equality and Inclusion and we continue to take a visible role in delivering on our commitments. We have delivered projects and publications that continue to lead the way in spreading good practice and making a significant contribution to the body of research available to the STEM community. We recognise that we need to continue to work to remove barriers to participation in any of our activities and that we ensure the principles of EDI are embedded within them. We build partnerships to work with colleagues, members, and the wider physics community to ensure that all that we deliver is truly inclusive.

We keep all of this under regular review and evaluate how we implement our diversity initiatives through our member-led Diversity and Inclusion Committee. We are also committed to demonstrating best practice, sharing our experiences, and that we undergo the same scrutiny and standards that we would expect of others through programmes such as Project Juno. Project Juno is our gender

equality awards scheme that recognises physics departments and organisations that can demonstrate action taken to address gender equality in physics. Our internal Equality and Diversity Action Group has begun the process of submitting the IOP to the Juno principles, with the target of becoming recognised as a Juno Champion by the end of our strategy.

## **Environmental Responsibility**

The IOP recognises its environmental responsibilities and commitment to reducing environmental damage locally, nationally and globally. We are focused on four main areas of compliance: waste and energy reduction; personal responsibility; the role of physics to provide solutions; and meeting emission targets.

We are also raising awareness of how activities and choices of individuals and other organisations carry an impact to the environment. We advise and support what they might consider doing to mitigate this impact. We want to lead the way and highlight what physics can do to help make buildings more efficient. Data captured on our own energy usage is shared through our education partners to help future planning and development in this field. We work with our stakeholder organisations to influence positive environmental change and support organisations which are proactively being sustainable.

Our Environmental Statement can be found [here](#).

## Gender Pay Gap Reporting

The IOP has made a commitment to addressing diversity within the physics community and we recognise that the success of our work relies on our ability to recruit, nurture and retain the richest mix of talent.

There are a number of internal mechanisms the IOP uses to support the achievement of balance in the workforce. All jobs are evaluated through a bias-free non-gender influenced job evaluation process by a group of trained in-house assessors.

The IOP does not have a statutory requirement to report on gender pay but, as part of its commitment to gender equality, it has undertaken the assessment. The average hourly rate in April 2020 was 16.86% lower for women based on mean hourly earnings and 6.45% lower based on median hourly earnings.

The median pay gap for full-time employees in the UK is 7.4% (Office for National Statistics, 2020).

IOP	Lower	Lower Middle	Upper Middle	Upper	Across all quartiles
<b>Female</b>					
Mean	£13.72	£18.47	£22.02	£30.47	£20.42
Median	£13.74	£18.46	£21.97	£27.07	£20.35
Number of staff	29	28	30	20	107
<b>Male</b>					
Mean	£14.68	£18.74	£22.31	£35.74	£24.56
Median	£14.83	£18.83	£22.28	£28.76	£21.75
Number of staff	13	14	11	21	59
<b>Pay gap</b>					
Mean	6.52%	1.45%	1.32%	14.75%	16.86%
Median	7.34%	1.99%	1.42%	5.89%	6.45%
Percentage of female employees	69%	67%	73%	49%	64%
Percentage of male employees	31%	33%	27%	51%	36%

We recognise that further steps are needed to address this gap.

Actions already implemented to address the previously seen imbalance in the recruitment across grades include:

- strengthening the recruitment process to more consistently use structured interviews
- standardising advertised salaries
- anonymising applications received through our recruitment systems

- briefing agencies for a more diverse candidate pool.

Our priority action areas for 2021 are:

- completing the review of recruitment policy and practice and rolling out the use of competencies for selection
- broadening out the existing pay and reward policy for Executive pay to staff pay to ensure there are clear, fair and transparent processes for setting and increasing salaries
- a review of flexible working.

Within the IOP Group there is a statutory requirement for IOP Publishing Limited to make a gender pay gap declaration. In IOP Publishing,

women's mean hourly wage was 15.91% lower than men's while women's median hourly wage was 17.30% lower than men's.

IOP Publishing	Lower	Lower Middle	Upper Middle	Upper	Across all quartiles
<b>Female</b>					
Mean	£11.45	£14.92	£19.14	£32.85	£17.97
Median	£11.61	£14.72	£18.79	£29.57	£15.73
Number of staff	54	49	45	30	178
<b>Male</b>					
Mean	£12.05	£14.66	£19.70	£33.72	£21.37
Median	£12.22	£14.31	£19.82	£28.63	£19.02
Number of staff	31	37	41	54	163
<b>Pay Gap</b>					
Mean	4.98%	-1.77%	2.84%	2.58%	15.91%
Median	4.99%	-2.87%	5.20%	-3.28%	17.30%
Percentage of female employees	64%	57%	52%	35%	52%
Percentage of male employees	36%	43%	48%	65%	48%

### Anti-Slavery and Human Trafficking

The IOP is committed to prohibiting modern slavery and human trafficking in any part of its business, including in all supply chains. The IOP has a diverse supply chain, including suppliers of IT, print and editorial services, office equipment, catering services, building services, temporary recruitment services, and accommodation and venue facilities.

Our Anti-Slavery and Human Trafficking Policy reflects a commitment to acting ethically and with integrity in all business relationships, and to implement and enforce effective systems and controls to prohibit slavery and human trafficking in supply chains and business. To ensure that all companies in the supply chain comply with all obligations on anti-slavery and human trafficking, all relevant suppliers are issued with, and agree to comply with, the Anti-Slavery

and Human Trafficking Policy, and appropriate obligations are included in contracts with them. Those obligations allow the IOP to secure assurances that those suppliers have appropriate measures in place in relation to their own business and supply chains, and commit to complying with all relevant legislation and codes of practice.

### Anti-Bribery and Corruption

We support and have an ongoing commitment to carrying out our business fairly, honestly and openly. We maintain policies and procedures to prevent bribery and would take disciplinary action against any member of staff who engaged in bribery. We also maintain whistleblowing procedures for staff to report any allegations of wrongdoing.

### **Statement of Trustees' Responsibilities**

Members of Council (who are the trustees of the IOP) 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).

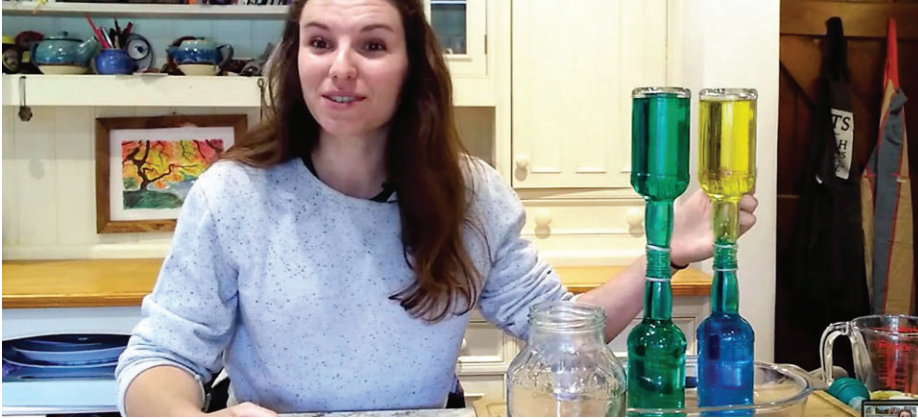
The law applicable to charities in England and Wales and in Scotland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the Group, and of the incoming resources and application of resources of the charity and the Group for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then 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, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



# Do Try This at Home

From the Institute of Physics



# Financial Review

## Financial Statements

The financial statements for the year ended 31 December 2020 are set out on pages 37 to 69. They were prepared applying accounting policies in accordance with UK Generally Accepted Accounting Practice, and comply with the Statement of Recommended Practice, Accounting and Reporting by Charities SORP (FRS 102).

## Financial Review

Some 91% (2019: 90%) of the group's incoming resources are generated from the activities of its trading subsidiary, IOP Publishing Limited. In 2020 78% of the IOP's income was generated from gift aid from its publishing subsidiaries (2019: 64%). This gift aid income is shown within income from scientific publications in the charity's Statement of Financial Activities. Other sources of income include income from members either as membership fees or for additional services and grants from government and other grant-awarding bodies.

Total incoming resources in the year for the group increased by £2.1m to £76.7m (2019: £74.6m). Income from scientific publications increased by £5.4m on 2019 to £69.7m, with a strong year for IOP Publishing Limited despite the challenges presented by the COVID-19 pandemic. Income from other charitable activities dropped by £2.4m to £5.0m primarily due to a vastly reduced conference programme in 2020 due to the restrictions implemented due to the pandemic.

Further commentary on the activities of IOP Publishing Limited is shown below.

Total resources expended have decreased in the year, due to savings made on travel costs and the reduction in costs on conferences. Total expenditure for the group was £66.8m (2019: £68.3m), a decrease of £1.5m or 2%.

Further details are included in the Consolidated Statement of Financial Activities on page 37.

The IOP's balance sheet is included on page 39. The IOP considers incoming resources, Gift Aid remitted from its subsidiaries and expenditure to be key performance indicators.

Debtors have decreased from £17.7m to £16.6m at 31 December 2020, primarily due to the decrease in debtors within IOP Publishing Limited. During the year, all billing was brought in-house which resulted in the earlier invoicing and receipt of cash from customers in comparison to prior years.

Deferred revenue remains a key balance and has increased by £2.1m to £15.8m (2019: £13.7m), driven by the earlier invoicing in comparison to prior years. Deferred membership renewals for 2020 have fallen slightly within the IOP compared to 2019 due to the change to a one-time start date for membership renewals.

The cash and short-term investment position remains strong, with an increase from £19.1m at 31 December 2019 to £28.6m at 31 December 2020 representing a healthy cash balance considering the investment the IOP has made in the new building in Dublin this year. Further details on capital additions are given in note 15. The value of investments has increased by £1.2m to £23.0m at 31 December 2020 and the IOP's portfolio has performed well through the market reactions to global events.

Purchases of fixed assets made during the year totalled £4.5m including the purchase of the IOP's new building in central Dublin. We continue to use our operating surplus, alongside careful cash management, to meet the ongoing liabilities of the IOP.

The IOP's defined benefit pension deficit increased by £7.6m to £10.9m (2019: £3.3m), as growth in the liabilities of the Institute of Physics Retirement Benefit Plan (1975) of £18.9m exceeded the growth in the present value of assets of £11.3m due to the impact of corporate bond yields during 2020.

The scheme published its triennial revaluation of 31 December 2019 during the year. The triennial valuation, updated to the end of 2020, showed a deficit of £7.5m due to a difference in the methodology used. A deficit elimination plan was agreed with the scheme's trustees. Further details are given in note 23 of the financial statements. The trustees have concluded that the Group is a going concern and these financial statements have therefore been prepared on that basis. The strong performance of the Group in 2020 and the positive net asset position at the end of 2020 support the trustees' conclusion.

### **IOP Publishing Limited (IOP Publishing)**

In a challenging year that has been dominated by the COVID-19 pandemic, IOP Publishing generated turnover for 2020 of £70.4m (2019: £64.9m) which reflects an 8.5% increase on 2019 driven by growth across the different business areas. The current year gross profit margin has increased to 92.5% (2019: 91.5%) with an improved operating margin for the current year of 29.5% (2019: 25.9%). The COVID-19 pandemic has imposed significant restrictions on both national and international travel, which has resulted in significant cost savings that have contributed to the improved operating margin in 2020. IOP Publishing pays all of its taxable profits for the reporting period to the IOP under the gift aid scheme.

As mentioned above, all billing was brought in-house during the year, which resulted in the earlier invoicing and receipt of cash from customers in comparison to prior years.

### **Reserves and investment**

The Charter and Bylaws confer power on the IOP to maintain income reserves. Council reviews at least annually both the IOP's continuing need for reserves and their appropriate level. The reserves policy set out below is based on, and is consistent with, guidelines on the subject issued by the Charity Commission.

The strategic reasons for the IOP to retain reserves, rather than simply spend all of its income as it arises, are, as stated in its Investment Policy:

- to be able to make short and medium-term expenditure commitments without the risk of short-term fluctuations in income forcing reduction in, or cancellation of, planned activity;
- to reduce the level of dependence on income from publishing; and
- in the event of a material and sustained fall in income from other sources, to provide sufficient reserves to enable the IOP to make the changes in its organisation and activities necessary to respond to this in an orderly and planned way.

The overall investment objectives of the IOP are to achieve a minimum net total return of 12 month LIBOR (London Interbank Offered Rate) +3.5%, after payment of fees over rolling three-year periods, using a diversified strategic asset allocation approach to minimise the risk for this level of return.

During the year the investment portfolio held by the IOP generated an unrealised gain to the group of £1.2m (2019: gain of £1.2m). The IOP actively manages its investment portfolio.

After a review in 2014, Council has considered the level of reserves appropriate to meet the above purposes and has determined that total free reserves should ideally be of the order of one and a half to two years of planned expenditure, excluding projects funded by external grants or fees (on the basis that fee based activities such as conferences would not continue if no attendees were attracted). Free reserves are the carrying balance of the additional sums set aside from the operational surplus of the group each year as an investment of cash in a balanced portfolio of assets balancing risk and reward in accordance with the requirements of the IOP.

The required level of reserves on 31 December 2020 based on the current long-term plan, as modified by the 2021 budget, is between approximately £18.5m–£24.6m (2019: £17.3m–£23.1m). The current level of free reserves as represented by the IOP's investments is £23.0m (£20.3m unrestricted, £2.7m restricted) (2019: £21.8m (£19.1m unrestricted, £2.7m restricted)), which is deemed appropriate given the IOP's commitments over the following 12 months.

The balances on the individual funds of the IOP at 31 December 2020 are considered adequate to meet their respective commitments.

### **Ethical Investment Policy**

The IOP is a charity established with the objective of promoting the advancement and dissemination of a knowledge of and education in the science of physics, pure and applied.

The trustees delegate the responsibility of managing the investment portfolio and ensuring compliance with the objectives of the Investment Policy to the Group Chief Executive Officer, Group Chief Financial Officer and Honorary Treasurer. Those persons then despatch this duty with the support of IOP's professional advisors and the committee responsible for finance and investment. They are guided by the Investment Policy which is reviewed at the commencement of each new strategic planning period, typically five years.

### **Independent Auditors**

All of the current trustees have taken all of the steps necessary to make themselves aware of any information needed by the charity's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The trustees are not aware of any relevant audit information of which the auditors are unaware.

### **By order of Council**

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*Brian Fulton*  
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#### **Professor Brian Fulton FInstP CPhys**

Honorary Secretary  
21 May 2021

DocuSigned by:  
*David Delpy*  
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#### **Professor David Delpy CBE FRS FEng FMedSci FInstP CPhys**

Honorary Treasurer  
21 May 2021

# Independent auditors' report to the trustees of the Institute of Physics

## Report on the audit of the financial statements

### Opinion

In our opinion, the Institute of Physics' group financial statements and parent charity financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2020 and of the group's and parent charity's incoming resources and application of resources, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008).

We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the group and parent charity Balance Sheets as at 31 December 2020; the Consolidated Statement of Financial Activities incorporating a consolidated income and expenditure account, the Charity Statement of Financial Activities incorporating an income and expenditure account for the year then ended, the Consolidated Statement of Cash Flows for the year then ended; and the notes to the

financial statements which include a summary of the significant accounting policies.

### Basis for opinion

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

### Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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

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

**Independent auditors' report to the trustees of the Institute of Physics (continued)**

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and parent charity's ability to continue as a going concern.

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

**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

**Trustees' Report**

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

**Responsibilities for the financial statements and the audit****Responsibilities of the trustees for the financial statements**

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

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

**Auditors' responsibilities for the audit of the financial statements**

We are eligible to act and have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

### Independent auditors' report to the trustees of the Institute of Physics (continued)

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 group and parent charity/industry, we identified that the principal risks of non-compliance with laws and regulations related to financial reporting and related charities legislation and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008. We evaluated the trustees' 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 posting inappropriate journal entries to increase revenue or reduce expenditure, and applying management bias in accounting estimates. Audit procedures performed included:

- Discussions with management and the trustees, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes including those of the Council and subsidiary board minutes;
- Evaluation of management's controls designed to prevent and detect irregularities, in particular the whistleblowing policy and employee code of conduct;

- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the valuation of partner accruals and the valuation of defined benefit pension liabilities; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### Use of this report

This report, including the opinions, has been prepared for and only for the charity's trustees as a body in accordance with section 151 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the trustees of the Institute of Physics (continued)

## Other required reporting

### Charities Act 2011 exception reporting

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



### **PricewaterhouseCoopers LLP**

Chartered Accountants and Statutory Auditors  
Bristol

Date 21 May 2021

## Consolidated Statement of Financial Activities incorporating a consolidated income and expenditure account for the year ended 31 December 2020

		2020	2020	2020	2019
	Note	Restricted	Unrestricted	Total	Total
		£'000	£'000	£'000	£'000
<b>Income from:</b>					
Donations and legacies	3	-	9	9	471
Charitable activities:					
Membership		-	1,646	1,646	1,723
Programmes		380	2,963	3,343	5,672
Scientific Publications		-	69,707	69,707	64,252
Other trading activities		-	1,659	1,659	1,980
Investments	6	-	220	220	497
Other		-	106	106	-
<b>Total income</b>	<b>3 &amp; 5</b>	380	76,310	<b>76,690</b>	74,595
<b>Expenditure on:</b>					
Raising funds		-	(64)	(64)	(71)
Charitable activities:					
Scientific Publications	7	-	(48,895)	(48,895)	(47,977)
Ecosystem	7	(392)	(4,362)	(4,754)	(5,228)
Productivity	7	-	(12)	(12)	(80)
Campaign	7	-	(498)	(498)	(591)
Public Dialogue	7	-	(212)	(212)	-
Transformation	7	-	(154)	(154)	-
Membership	7	-	(643)	(643)	(3,533)
Business operations	7	(40)	(10,359)	(10,399)	(9,881)
Other		-	(1,209)	(1,209)	(911)
<b>Total expenditure</b>	<b>7</b>	(432)	(66,408)	<b>(66,840)</b>	(68,272)
Net gains on investments	17	-	1,154	1,154	1,189
<b>Net (expenditure)/income</b>		(52)	11,056	<b>11,004</b>	7,512
<b>Other recognised (losses)/gains</b>					
Actuarial (losses)/ gains on defined benefit pension scheme	23	-	(8,502)	(8,502)	1,104
Exchange difference on retranslation of net assets of subsidiary undertakings		-	45	45	(130)
<b>Net movement in funds</b>		(52)	2,599	<b>2,547</b>	8,486
Fund balances brought forward		3,355	61,208	<b>64,563</b>	56,077
<b>Fund balances carried forward</b>	<b>22</b>	3,303	63,807	<b>67,110</b>	64,563

The Statement of Financial Activities includes all gains and losses recognised in the year. All amounts relate to continuing activities. The notes on pages 41 to 69 form part of these financial statements.

## Charity Statement of Financial Activities incorporating an income and expenditure account for the year ended 31 December 2020

		2020	2020	2020	2019
	Note	Restricted	Unrestricted	Total	Total
		£'000	£'000	£'000	£'000
<b>Income from:</b>					
Donations and legacies	<b>3</b>	-	9	<b>9</b>	471
Charitable activities:					
Membership		-	1,646	<b>1,646</b>	1,723
Programmes		380	2,963	<b>3,343</b>	5,672
Scientific Publications		-	21,469	<b>21,469</b>	16,122
Investments		-	1,065	<b>1,065</b>	1,343
Other		-	106	<b>106</b>	-
<b>Total income</b>		<b>380</b>	<b>27,258</b>	<b>27,638</b>	<b>25,331</b>
<b>Expenditure on:</b>					
Raising funds		-	(64)	<b>(64)</b>	(71)
Charitable activities:					
Ecosystem		(392)	(4,417)	<b>(4,809)</b>	(5,228)
Productivity		-	(12)	<b>(12)</b>	(80)
Campaign		-	(498)	<b>(498)</b>	(591)
Public Dialogue		-	(212)	<b>(212)</b>	-
Transformation		-	(154)	<b>(154)</b>	-
Membership		-	(893)	<b>(893)</b>	(3,533)
Business operations		(40)	(10,359)	<b>(10,399)</b>	(9,881)
Other		-	(1,209)	<b>(1,209)</b>	(911)
<b>Total expenditure</b>		<b>(432)</b>	<b>(17,818)</b>	<b>(18,250)</b>	<b>(20,295)</b>
Net gains on investments	<b>17</b>	-	1,154	<b>1,154</b>	1,189
<b>Net (expenditure)/income</b>		<b>(52)</b>	<b>10,594</b>	<b>10,542</b>	<b>6,225</b>
<b>Other recognised (losses)/ gains</b>					
Actuarial (losses)/ gains on defined benefit pension scheme	<b>23</b>	-	(8,502)	<b>(8,502)</b>	1,104
<b>Net movement in funds</b>		<b>(52)</b>	<b>2,092</b>	<b>2,040</b>	<b>7,329</b>
Fund balances brought forward		3,355	42,799	<b>46,154</b>	38,825
<b>Fund balances carried forward</b>	<b>22</b>	<b>3,303</b>	<b>44,891</b>	<b>48,194</b>	<b>46,154</b>

**Balance Sheet at 31 December 2020**

	Note	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
<b>Fixed assets</b>					
Intangible assets	14	3,894	3,372	-	-
Tangible assets	15	34,885	32,378	34,185	31,429
Investments in subsidiary undertakings	16	-	-	3,001	3,001
Investments	17	22,953	21,799	22,953	21,799
		61,732	57,549	60,139	56,229
<b>Current assets</b>					
Debtors	18	16,577	17,661	1,414	1,302
Cash at bank and in hand		28,637	19,118	579	10,050
		45,214	36,779	1,993	11,352
<b>Creditors: amounts falling due within one year</b>	19	(28,147)	(25,637)	(2,249)	(17,299)
<b>Net current assets/(liabilities)</b>		17,067	11,142	(256)	(5,947)
<b>Provisions for liabilities</b>	21	(806)	(806)	(806)	(806)
<b>Defined Benefit Pension scheme deficit</b>	23	(10,883)	(3,322)	(10,883)	(3,322)
<b>Net Assets</b>		67,110	64,563	48,194	46,154
<b>Restricted funds</b>					
Restricted funds	22	3,303	3,355	3,303	3,355
<b>Unrestricted funds</b>					
General fund	22	74,690	64,530	55,774	46,121
Pension reserve	23	(10,883)	(3,322)	(10,883)	(3,322)
Total unrestricted funds		63,807	61,208	44,891	42,799
<b>Total funds</b>		67,110	64,563	48,194	46,154

These financial statements were approved by Council and authorised for issue on 20 May 2021 and were signed on its behalf by

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**Mr Jonathan Flint CBE FREng FInstP**  
 President  
 21 May 2021

DocuSigned by:  
  
 802AC384C636456...  
**Professor David Delpy CBE FRS FREng  
 FMedSci FInstP CPhys**  
 Honorary Treasurer  
 21 May 2021

The notes on pages 41 to 69 form part of these financial statements.

## Consolidated Statement of Cash Flows for the year ended 31 December 2020

	2020	2019
	£'000	£'000
<b>Cash flows from operating activities</b>		
<b>Net income for the year</b>	<b>11,004</b>	7,512
Adjustments for:		
Depreciation and amortisation of fixed assets and intangible assets	3,435	3,134
Loss on disposal of fixed assets	1	41
Gains on investments	(1,154)	(1,189)
Net interest receivable	(8)	(13)
Dividend income from fixed and current investments	(212)	(484)
Difference between net pension expense and cash contribution	(941)	(929)
Decrease/(increase) in trade and other debtors	1,084	(2,481)
Increase in trade and other creditors	2,510	307
Increase in provisions	-	23
<b>Net cash provided by operating activities</b>	<b>15,719</b>	5,921
<b>Cash flows from investing activities</b>		
Purchases of fixed assets and intangible assets	(6,465)	(2,302)
Interest received	8	13
Dividends received on fixed and current asset investments	212	483
Purchase of investments	(7,221)	(6,966)
Sale of investments	7,221	6,966
<b>Net cash used in investing activities</b>	<b>(6,245)</b>	(1,806)
<b>Net increase in cash and cash equivalents</b>	<b>9,474</b>	4,115
Cash and cash equivalents at beginning of year	19,118	15,133
Foreign exchange gains/(losses)	45	(130)
<b>Cash and cash equivalents at end of year</b>	<b>28,637</b>	19,118
<b>Cash and cash equivalents comprise:</b>		
Cash at bank and in hand	28,637	19,118
	<b>28,637</b>	19,118

The notes on pages 41 to 69 form part of these financial statements.

# Notes forming part of the financial statements for the year ended 31 December 2020

## 1. Accounting policies

The Institute of Physics (IOP) is a corporate body governed by a Royal Charter, which is supplemented by bylaws and regulations. It was established in its current form by Royal Charter dated 30 September 1970.

The IOP is a charity registered in both England & Wales (no. 293851) and in Scotland (no. SC040092). The IOP has also applied for registration as a charity in the Republic of Ireland. The members of Council are the trustees of the Charity. The IOP's registered office is 37 Caledonian Road, London N1 9BU.

The Institute of Physics is a Public Benefit Entity under FRS 102. The financial statements have been prepared in accordance with applicable charity law and in accordance with FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102"), with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102 (effective 1 January 2015) ("Charities SORP FRS 102"), and in accordance with the requirements of the Charities Act 2011 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008.

The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain investments and financial instruments as specified in the accounting policies below.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also

requires the Group's management to exercise judgement in applying the Group's accounting policies (see note 2).

### Going concern

Trustees continue to monitor the principal markets in which it operates and they have prepared forecasts and projections for the charity. These projections demonstrate the charity's ability to meet its obligations as they fall due. The trustees therefore consider it appropriate to prepare the financial statements on a going concern basis.

### Parent entity disclosure exemptions

In preparing the individual financial statements of the IOP advantage has been taken of the following disclosure exemption available in FRS 102:

- No cash flow statement has been prepared for the parent charity; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent charity because their remuneration is included in the totals for the group as a whole.

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

## 1. Accounting policies (continued)

### Basis of consolidation

The consolidated financial statements incorporate the results of the Institute of Physics and all its subsidiary undertakings as at 31 December 2020 using the acquisition method of accounting. Under this method, the results of subsidiary undertakings acquired or disposed of during the year are included in the consolidated Statement of Financial Activities from the effective date of acquisition or up to the effective date of disposal. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets and liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated Statement of Financial Activities from the date on which control is gained.

### Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree plus costs directly attributable to the business combination. Any excess of the cost of the business combination over the fair value of the identifiable assets and liabilities is recognised as goodwill.

### Analysis of income and expenditure

2020 marked the first year of the IOP's new strategy Unlocking the Future. The analysis of income and expenditure by fund reflects the programmes of this new strategy, including membership and business operations (business as usual activities) and those of the IOP's publishing subsidiaries (scientific publications).

### Income

Membership income is recognised when received and attributed to the financial years to which it relates. Sundry income is recognised when received. Income from production of in-house and external partner journals with a majority of the income received in advance is recognised in line with the fair value of content delivered. Other income streams include fees received for publishing articles, ebooks and advertising recognised upon publication, sales of access to historic archives recognised upon invoice, when permanent access is granted and contract management fees recognised on invoice.

### Gift aid income

The Institute of Physics receives payments from its subsidiaries under the gift aid scheme. Gift aid income is recognised income from scientific publications in the charity's Statement of Financial Activities when the subsidiary has made an irrevocable commitment to pay the taxable profits to the charity. The charity previously had a gift aid covenant in place with IOP Publishing Limited (IOP Publishing). At the reporting date there was no legal obligation in place for IOP Publishing to make this payment. The payment is, however, expected to be made within nine months of the end of the reporting date.

### Government grants receivable

Grants are accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Financial Activities in the same period as the related expenditure.

### Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the relevant category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

## 1. Accounting policies (continued)

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include general management, payroll administration, information technology, human resources, financing and governance costs. These costs are allocated across the expenditure on charitable activities. The basis of the cost allocation has been explained in note 8 to the financial statements.

### Intangible fixed assets – goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in Intangible assets. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life as follows:

- Goodwill on acquisition of subsidiaries: 5 years

### Intangible fixed assets – software

Internally generated software assets are stated at cost and depreciated over four years.

### Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Assets with a value of less than £500 are not capitalised.

### Depreciation

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

- Freehold property: 25 years
- Office machinery: 4 years
- Fixtures and fittings: 10 years
- Computers: 3–4 years

The value of leasehold property is amortised over the remaining periods of the relevant leases. The IOP holds an operating lease for Temple Circus, Bristol which currently expires in 2021.

### Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment in the individual charity financial statements.

Other investments in listed company shares are included in the Balance Sheet at the market value of the individual unitised holdings. Gains and losses are recognised in profit or loss, within 'Net income/expenditure' in the Statement of Financial Activities.

### Debtors

Trade and other debtors are recognised at transaction price, less any impairment. Prepayments are valued at the amount prepaid net of any trade discounts due.

### Liquid resources

For the purposes of the cash flow statement, liquid resources are defined as current asset investments, which is cash held in short term deposit accounts for investment purposes. These are not considered to be cash because they are not accessible penalty free within one working day.

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

## 1. Accounting policies (continued)

### Cash

Cash includes cash in hand and deposits repayable on demand with any qualifying institution less overdrafts from any qualifying financial institution repayable on demand. Deposits are repayable on demand if they can be withdrawn at any time without notice and without penalty, or if a maturity or period of notice of not more than 24 hours or one working day has been agreed. Cash includes deposits denominated in foreign currencies.

### Creditors

Short-term trade creditors are measured at the transaction price. Other financial liabilities are measured initially at amortised cost and subsequently at amortised cost less impairment.

### Provisions

Provisions are recognised when the group has a present obligation, legal or constructive, as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use in the following financial year. The provision is measured at the undiscounted salary cost payable for the period of absence that has been accrued.

The group recognises a provision for the expected value of dilapidations for costs relating to the exit of leasehold premises which are not expected to crystallise before Q3 2021. The amount payable will be agreed through future negotiation at such point that an exit occurs.

### Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in an asset of the company after deducting all of its liabilities. Financial instruments are measured at amortised cost or fair value depending on the nature of the underlying arrangement.

### Derivative financial instruments

Derivative financial instruments are recognised at fair value with any gains or losses being recognised in profit or loss, within 'Net income/expenditure' in the Statement of Financial Activities.

### Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors.

## 1. Accounting policies (continued)

### Pension costs – Institute of Physics Retirement Benefits Plan 1975

The IOP operates the Institute of Physics Retirement Benefits Plan 1975 providing pension benefits based on final pensionable pay. This scheme was closed to new members on 31 December 2001. The assets of the scheme are held separately from those of the group in an independently administered fund. This defined benefit scheme is accounted for in accordance with FRS 102. The service cost of pension provision relating to the year, together with the cost of any benefits relating to past service if the benefits have vested, is charged to the Statement of Financial Activities. A charge equal to the increase in the present value of the scheme liabilities (because the benefits are closer to settlement) and a credit equivalent to the group's long-term expected return on assets (based on the market value of the scheme assets at the start of the year), are also included in the Statement of Financial Activities.

The difference between the market value of the assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet. Any differences between the actual and expected return on assets during the year are recognised in the Statement of Financial Activities along with differences arising from experience or assumption changes. The defined benefit pension expense recognised in the Statement of Financial Activities is allocated to expenditure on charitable activities in proportion with the expenditure on these activities. The defined benefit pension expense is recognised in unrestricted funds.

### Pension costs – Institute of Physics Group Personal Pension Schemes

The group operates two group personal pension schemes. They are both defined contribution pension schemes with assets held in the names of the individual members.

The first was established from 1 January 2002 and is managed by Aviva. This scheme closed to new members on 31 January 2014. For those members of staff who are members of this scheme, the IOP contributes 2–18% of basic salary.

The second was established from 1 February 2014 and is managed by Aviva. For those members of staff who choose to join the scheme the IOP contributes 2–12% of basic salary.

Contributions to the group's defined contribution pension schemes are charged to the Statement of Financial Activities in the year in which they become payable.

### Foreign currencies

#### *Functional currency and presentation currency*

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Sterling, which is the charity's and the group's presentation currency.

#### *Transactions and balances*

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entity are recognised at the spot rate at the dates of the transactions or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange differences that arise are recognised in profit or loss, within 'Net income/expenditure' in the Statement of Financial Activities.

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

## 1. Accounting policies (continued)

### *Translation of group companies*

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated from their functional currency to Sterling using the exchange rate ruling on the Balance Sheet date. Income and expenses are translated using an average rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on translation of group companies are recognised within 'Other recognised gains/losses' in the Statement of Financial Activities.

### **Operating leases**

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the terms of the leases.

Rental income receivable under operating leases with a third party is recognised in the Statement of Financial Activities on a straight-line basis over the terms of the leases.

The group has taken advantage of the transitional relief available for lease incentives, such that where a lease commenced before the date of transition to FRS 102, the remaining benefit of the lease incentive may continue to be recognised in accordance with previous UK GAAP.

## 2. Significant judgements and estimates

Preparation of the financial statements requires the Executive Board and Senior Management Team to make significant judgements and estimates.

### **Significant estimates**

The items in the financial statements where significant estimates have been made include:

### **Revenue recognition**

Income from production of in-house and external partner journals with a majority of the income received in advance is recognised in line with the fair value of content delivered. An estimate is required in the recognition of revenue where contracts with customers span multiple years.

### **Defined benefit pension scheme valuation**

Valuation of the assets and liabilities of the group defined benefit pension scheme are performed by a professional actuary. This requires estimates to be made around the range of assumptions used and the value used for each assumption.

### **Partner accruals**

Indirect costs of IOP Publishing Limited are allocated to partners in the calculation of partner payments. An estimate is required in this allocation.

### **Dilapidations**

A provision is included for the value of dilapidations for costs relating to the exit of leasehold premises which are not expected to crystallise before Q3 2021. An estimate is required to determine this value. The amount payable will be agreed through future negotiation at such point that an exit occurs.

### **Significant judgements**

The items in the financial statements where significant judgements have been made are:

### **Partner agreements**

When agreements are entered into with partners, judgement is required as to whether the company is acting as the agent or the principal in the arrangement and therefore how revenue should be recognised. The following factors are taken into consideration when making this judgement: which party to the agreement establishes the sales prices; which party bears the credit risk on the sale; and which party is responsible for providing the goods or services to the customer. The contractual terms set out in the agreement and the substance of the arrangement are also taken into consideration.

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

### 3. Income: analysis by fund

2020 marked the first year of the IOP's new strategy Unlocking the Future. The analysis of income and expenditure by fund reflects the programmes of this new strategy, including membership and business operations (business as usual activities) and those of the IOP's publishing subsidiaries (scientific publications). Please see the Objectives and Activities, Achievements and Performance section of the Trustees' Annual Report for more information on our ecosystem, productivity and transformation programmes, as well as our influencing campaign Limit Less, and the Looking Glass podcast series, key elements of our public dialogue programme.

		2020	2020	2020	2019	2019	2019
	Note	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Income from:</b>							
Donations and legacies		-	9	9	400	71	471
Charitable activities:							
Membership		-	1,646	1,646	-	1,723	1,723
Programmes		380	2,963	3,343	627	5,045	5,672
Scientific Publications		-	69,707	69,707	-	64,252	64,252
Other trading activities		-	1,659	1,659	-	1,980	1,980
Investments	6	-	220	220	-	497	497
Other		-	106	106	-	-	-
<b>Total income</b>	<b>5</b>	<b>380</b>	<b>76,310</b>	<b>76,690</b>	<b>1,027</b>	<b>73,568</b>	<b>74,595</b>

### 4. Expenditure: analysis by fund

		2020	2020	2020	2019	2019	2019
	Note	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Expenditure on:</b>							
Raising funds		-	(64)	(64)	-	(71)	(71)
Charitable activities:							
Scientific Publications	7	-	(48,895)	(48,895)	-	(47,977)	(47,977)
Ecosystem	7	(392)	(4,362)	(4,754)	(515)	(4,713)	(5,228)
Productivity	7	-	(12)	(12)	-	(80)	(80)
Campaign	7	-	(498)	(498)	-	(591)	(591)
Public dialogue	7	-	(212)	(212)	-	-	-
Transformation	7	-	(154)	(154)	-	-	-
Membership	7	-	(643)	(643)	-	(3,533)	(3,533)
Business operations	7	(40)	(10,359)	(10,399)	-	(9,881)	(9,881)
Other		-	(1,209)	(1,209)	-	(911)	(911)
<b>Total expenditure</b>		<b>(432)</b>	<b>(66,408)</b>	<b>(66,840)</b>	<b>(515)</b>	<b>(67,757)</b>	<b>(68,272)</b>

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

## 5. Analysis of incoming resources

By geographical market	2020	2019
	£'000	£'000
Europe, Middle East and Africa	27,583	30,891
The Americas	29,780	27,348
Asia Pacific	19,327	16,356
<b>Total</b>	<b>76,690</b>	74,595

By class of business	2020	2019
	£'000	£'000
Publishing operations	71,366	66,232
Charitable activities	3,343	6,238
Membership income	1,646	1,558
Other	335	567
<b>Total</b>	<b>76,690</b>	74,595

## 6. Investment income

	2020	2019
	£'000	£'000
Dividends and interest from listed investments	212	484
Interest from cash and short term investments	8	13
<b>Total</b>	<b>220</b>	497

Group investment income of £220k is lower than the charity's investment income due to the elimination of intercompany rent recharged in respect of Temple Circus.

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

## 7. Analysis of expenditure

2020 marked the first year of the IOP's new strategy Unlocking the Future. The analysis of expenditure reflects the programmes of this new strategy, including membership and business operations (business as usual activities) and those of the IOP's publishing subsidiaries (scientific publications). Please see the Objectives and Activities, Achievements and Performance section of the Trustees' Annual Report for more information on our ecosystem, productivity and transformation programmes, as well as our influencing campaign Limit Less and Looking Glass podcast series, key elements of our public dialogue programme.

### 7a. Analysis of expenditure by type

	Activities undertaken directly	Grant funding activities	Support costs	2020	2019
	£'000	£'000	£'000	£'000	£'000
Raising funds	-	-	64	<b>64</b>	71
Charitable activities:					
Scientific Publications	48,895	-	-	<b>48,895</b>	47,977
Ecosystem	3,642	60	1,052	<b>4,754</b>	5,228
Productivity	5	-	7	<b>12</b>	80
Campaign	205	-	293	<b>498</b>	591
Public dialogue	88	-	124	<b>212</b>	-
Transformation	64	-	90	<b>154</b>	-
Membership	117	-	526	<b>643</b>	3,533
Business operations	1,742	-	8,657	<b>10,399</b>	9,881
Other	-	-	1,209	<b>1,209</b>	911
<b>Total</b>	<b>54,748</b>	<b>60</b>	<b>12,022</b>	<b>66,840</b>	68,272

Activities undertaken directly are costs directly attributable to the activity. Support costs are those costs that support the activity. Grant funding represents 107 (2019: 102) STFC grants made to schools to help them run physics and astronomy related activities.

### 7b. Analysis of expenditure on business operations

Included within expenditure on charitable activities are costs for business operations amounting to £10,399k (2019: £9,881k). These are analysed as:

	2020	2020	2020	2019
	Restricted	Unrestricted	Total	Total
	£'000	£'000	£'000	£'000
Awards	17	284	<b>301</b>	413
Support	-	2,783	<b>2,783</b>	3,337
Membership	-	1,295	<b>1,295</b>	1,295
Technology	-	3,049	<b>3,049</b>	2,081
Facilities	-	2,070	<b>2,070</b>	1,837
Outreach	23	878	<b>901</b>	918
<b>Total business operations expense</b>	<b>40</b>	<b>10,359</b>	<b>10,399</b>	<b>9,881</b>

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

## 8. Analysis of governance and support costs

Included within expenditure on charitable activities are governance and support costs amounting to £10,749k (2019: £10,829k). These are analysed as:

	Management Costs (Directorate and Staff)	Central Costs (IT, HR, Facilities)	Finance Costs	2020	2019
	£'000	£'000	£'000	£'000	£'000
Ecosystem	872	180	-	<b>1,052</b>	832
Productivity	6	1	-	<b>7</b>	41
Campaign	243	50	-	<b>293</b>	303
Public dialogue	103	21	-	<b>124</b>	-
Transformation	75	15	-	<b>90</b>	-
Membership	436	90	-	<b>526</b>	1,813
Business operations	5,255	2,854	548	<b>8,657</b>	7,840
<b>Total</b>	<b>6,990</b>	<b>3,211</b>	<b>548</b>	<b>10,749</b>	10,829

### Auditors fees:

	2020	2019
	£'000	£'000
Fees payable to the charity's auditors for the audit of the charity's annual financial statements	<b>38</b>	35
Fees payable to the charity's auditors for other services:		
The audit of the charity's subsidiaries pursuant to legislation	<b>84</b>	82
Other services	<b>301</b>	22
Other taxation services	<b>11</b>	43
<b>Total</b>	<b>434</b>	181

Non audit fees include work by PwC's Inclusion and Diversity practice on the Giving Voice to Inclusion programme, a central focus of the IOP's efforts to foster a more representative physics community looking beyond diversity to inclusion.

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

## 9. Staff

	2020	2019
	£'000	£'000
Wages and salaries	25,375	24,022
Social security costs	2,298	2,166
Pension costs	2,450	2,459
Redundancy and severance costs	244	434
<b>Total</b>	<b>30,367</b>	29,081

The number of employees earning more than £60,000 including bonuses (excluding employer pension contributions) per year can be analysed in the following bands:

	2020	2019
£60,000–£69,999	26	22
£70,000–£79,999	23	16
£80,000–£89,999	11	13
£90,000–£99,999	4	2
£100,000–£109,999	5	2
£110,000–£119,999	1	2
£120,000–£129,999	2	1
£130,000–£139,999	-	1
£140,000–£149,999	1	-
£150,000–£159,999	1	-
£160,000–£169,999	2	2
£170,000–£179,999*	3	1
£180,000–£189,999	-	1
£190,000–£199,999	-	-
£200,000–£209,999	1	-
£210,000–£219,999	-	-
£220,000–£229,999	1	-
£230,000–£239,999	-	1
£240,000–£249,999	-	1
£330,000–£339,000	-	-
£390,000–£399,999	-	1
£400,000–£410,000	1	-

\* This banding includes the remuneration of the Group Chief Executive Officer.

The above banding includes 50 (2019: 38) staff for whom retirement benefits are accruing under defined contribution schemes and 9 (2019: 5) staff for whom retirement benefits are accruing under defined benefit schemes. Contributions by the group for the year for the above employees to defined contribution schemes amounted to £482k (2019: £387k). 24 staff included above (2019: 24) are paid in foreign currencies and their earnings are subject to foreign exchange fluctuations when translating from the base currency to Sterling.

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

## 9. Staff (continued)

Additional information on the total remuneration package of employees earning over £60,000 per year is shown below.

### Institute of Physics – Charity

Salary and compensation	Bonus and commission	Non pensionable allowances and other benefits	Employer pension contribution	2020	2019
£60,000–£69,999	-	-	£5,000–£14,999	4	5
£70,000–£79,999	-	-	£5,000–£14,999	7	3
£80,000–£89,999	-	-	£5,000–£14,999	1	-
£100,000–£109,999	-	-	£5,000–£14,999	2	-
£140,000–£149,999	-	-	£0–£5,000	1	-
£170,000–£179,999*	-	-	£30,000–£34,999	1	1

\* This banding includes the remuneration of the Group Chief Executive Officer.

### Institute of Physics – Group

Within the trading subsidiaries of the Institute of Physics group (IOP Enterprises Limited, IOP Publishing Limited, Turpion Limited, Turpion–Moscow Limited, IOP Publishing Inc., IOP Business Publishing Inc., IOP Publishing Consultants (Beijing) Co Limited, IOP Marketing and Promotion Services Private Limited), some staff, dependant on role, have contractual performance based incentives linked to the subsidiaries revenue or profit growth. Staff may also receive non pensionable allowances and medical benefits in addition to employer pension contributions.

UK employer pension contributions are made at a maximum of 18% of pensionable salary.

The average number of employees during the year was:

	2020	2019
Charitable work:		
Institute of Physics	136	114
Business operations:		
IOP Publishing Limited	224	247
IOP Publishing Inc.	32	32
IOP Business Publishing Inc.	2	2
Turpion–Moscow Limited	3	3
IOP Publishing Consultants (Beijing) Co Limited	14	12
IOP Marketing and Promotion Services Private Limited	4	4
Management and administration:		
Institute of Physics	35	28
IOP Publishing Limited	135	111
<b>Total</b>	<b>585</b>	<b>553</b>

The number of full-time equivalent employees as at 31 December 2020 was 595 (2019: 547).

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

## 10. Key management personnel remuneration

Key management personnel include all members of Council. The President, honorary officers and members of Council give their time to the IOP on a voluntary basis and are paid no remuneration for this work. They are reimbursed the actual costs of travel and subsistence necessarily incurred on the official business of the IOP and/or its subsidiaries. In the year to 31 December 2020 total expenses incurred and reimbursed to 14 trustees (2019: 22) were £12k (2019: £32k).

Remunerated key management personnel include the members of the IOP's senior management team and directors of the IOP's subsidiary companies. The Group Chief Executive Officer performs a group role across all entities within the IOP Group. The Group Chief Executive Officer is part of the IOP's senior management team which also includes the Deputy Chief Executive; Chief Financial Officer; the Director of Policy and Public Affairs; and Chief Executive, IOP Publishing Limited. All members of the senior management team are remunerated by the Institute of Physics with the exception of the Chief Executive of IOP Publishing Limited.

In addition to the members of the IOP's senior management team, remunerated key management personnel comprise:

### IOP Publishing Limited

Commercial Director  
Finance Director  
Technology Director  
Publishing Director

The pay and remuneration of the group senior management team is set and monitored on behalf of Council by the Remuneration Committee. The Committee comprises the President, President-elect, Honorary Secretary and Honorary Treasurer, and is supported by several separately appointed external advisors. The Committee commissions, each year, relevant external benchmarking information from both the publishing and charity sector to support its decision-making, and when

necessary takes additional advice from specialist organisations.

The total compensation paid to key management personnel for services provided to the group was £1,732k (2019: £1,743k). This includes all remuneration, salary, benefits, bonuses and commission, employer's pension contributions, employer's national insurance contributions and any compensation payments made.

## 11. Physics World

During the year the IOP contributed £266k (2019: £266k) to IOP Publishing Limited towards the cost of copies of Physics World supplied to members, and £40k (2019: £68k) towards the cost of copies of Physics Education supplied to the IOP's affiliated schools programme.

## 12. Taxation

As a registered charity, the IOP is potentially exempt from taxation of its income and gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The subsidiary companies make qualifying donations of taxable profit to the Institute of Physics.

## 13. Irrecoverable VAT

There is a group VAT registration for the Institute of Physics and its UK subsidiaries. The VAT group is partly exempt and, because of this, there are restrictions on the amount of VAT recoverable.

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

## 14. Intangible assets

Institute of Physics – Group	Software	Goodwill on consolidation	Trademarks	Assets in course of construction	Total
	£'000	£'000	£'000	£'000	£'000
<i>Cost or valuation</i>					
At 1 January 2020	10,293	126	180	776	11,375
Additions	1,957	-	37	-	1,994
Transfer from assets in course of construction	164	-	-	(164)	-
<b>At 31 December 2020</b>	<b>12,414</b>	<b>126</b>	<b>217</b>	<b>612</b>	<b>13,369</b>
<i>Accumulated amortisation</i>					
At 1 January 2020	(7,856)	(75)	(72)	-	(8,003)
Provision for the year	(1,378)	(51)	(43)	-	(1,472)
<b>At 31 December 2020</b>	<b>(9,234)</b>	<b>(126)</b>	<b>(115)</b>	<b>-</b>	<b>(9,475)</b>
<i>Net book value</i>					
<b>At 31 December 2020</b>	<b>3,180</b>	<b>-</b>	<b>102</b>	<b>612</b>	<b>3,894</b>
At 31 December 2019	2,437	51	108	776	3,372

### Assets in course of construction

Assets in course of construction relate to elements of the implementation of new software systems which are ongoing. These assets are not being depreciated. These assets will begin to be depreciated upon being brought into use.

### Intangible assets – Charity

The charity does not hold any intangible assets (2019: £nil).

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

**15. Tangible assets**

Institute of Physics – Group	Unoccupied property	Freehold property	Short leasehold property	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
At 1 January 2020	2,617	29,781	2,431	4,191	<b>39,020</b>
Additions	46	4,187	-	238	<b>4,471</b>
Disposals	-	-	-	(72)	<b>(72)</b>
<b>At 31 December 2020</b>	<b>2,663</b>	<b>33,968</b>	<b>2,431</b>	<b>4,357</b>	<b>43,419</b>
<i>Accumulated depreciation</i>					
At 1 January 2020	-	(1,396)	(2,124)	(3,122)	<b>(6,642)</b>
Charge for the year	-	(1,233)	(238)	(492)	<b>(1,963)</b>
Disposals	-	-	-	71	<b>71</b>
<b>At 31 December 2020</b>	<b>-</b>	<b>(2,629)</b>	<b>(2,362)</b>	<b>(3,543)</b>	<b>(8,534)</b>
<i>Net book value</i>					
<b>At 31 December 2020</b>	<b>2,663</b>	<b>31,339</b>	<b>69</b>	<b>814</b>	<b>34,885</b>
At 31 December 2019	2,617	28,385	307	1,069	32,378

Institute of Physics – Charity	Unoccupied property	Freehold property	Short leasehold property	Fixtures and equipment	Total
	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
At 1 January 2020	2,617	29,781	2,362	222	<b>34,982</b>
Additions	46	4,187	-	41	<b>4,274</b>
<b>At 31 December 2020</b>	<b>2,663</b>	<b>33,968</b>	<b>2,362</b>	<b>263</b>	<b>39,256</b>
<i>Accumulated depreciation</i>					
At 1 January 2020	-	(1,396)	(2,073)	(84)	<b>(3,553)</b>
Charge for the year	-	(1,233)	(236)	(49)	<b>(1,518)</b>
<b>At 31 December 2020</b>	<b>-</b>	<b>(2,629)</b>	<b>(2,309)</b>	<b>(133)</b>	<b>(5,071)</b>
<i>Net book value</i>					
<b>At 31 December 2020</b>	<b>2,663</b>	<b>31,339</b>	<b>53</b>	<b>130</b>	<b>34,185</b>
At 31 December 2019	2,617	28,385	289	138	31,429

Included in freehold property is a new property that is not yet in use due to the COVID-19 pandemic. The property is therefore not yet being depreciated. There was no equivalent property in 2019.

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

**16. Investments in subsidiary undertakings**

Institute of Physics – Charity	Subsidiary undertakings
	<b>£'000</b>
<i>Cost and net book value</i>	
At 1 January 2020 and 31 December 2020	<b>3,001</b>

The IOP's subsidiary undertakings at 31 December 2020 were as follows:

Name	Country of incorporation/ registration	Class of shares held	Percentage held	Nature of business	Year end
<i>Subsidiary undertakings</i>					
IOP Publishing Limited	UK	Ordinary	100%	Publishing	31 Dec 2020
IOP Enterprises Limited	UK	Ordinary	100%	Non trading	31 Dec 2020
IOP Educational Publishing Limited	UK	Ordinary	100%*	Dormant	31 Dec 2020
IOP Publishing Inc.	USA	Ordinary	100%	Publishing	31 Dec 2020
IOP Business Publishing Inc.	USA	Ordinary	100% <sup>^</sup>	Publishing	31 Dec 2020
IOP Publishing Consultants (Beijing) Co Limited	China	Ordinary	100%*	Publishing consulting	31 Dec 2020
Turpion Limited	UK	Ordinary	100%*	Publishing	31 Dec 2020
Turpion-Moscow Limited	Russia	Ordinary	100%+	Publishing	31 Dec 2020
IOP Marketing and Promotion Services Private Limited	India	Ordinary	100% <sup>-</sup>	Publishing	31 Mar 2021

\* The investments in IOP Educational Publishing Limited, IOP Publishing Consultants (Beijing) Co Limited and Turpion Limited are held directly by IOP Publishing Limited.

<sup>^</sup> The investment in IOP Business Publishing Inc. is held directly by IOP Publishing Inc.

+ The investment in Turpion-Moscow Limited is held directly by Turpion Limited.

<sup>-</sup> The investment in IOP Marketing and Promotion Services Private Limited is 0.01% owned by IOP and 99.99% by IOP Publishing Limited.

Address of IOP Publishing Limited is Temple Circus House, Temple Way, Bristol BS1 6HG.

Address of IOP Enterprises Limited is 37 Caledonian Road, London N1 9BU.

Address of IOP Educational Publishing Limited is Temple Circus House, Temple Way, Bristol BS1 6HG.

Address of IOP Publishing Inc. is 190 N. Independence Mall West Suite 601 Philadelphia, PA 19106, USA.

Address of IOP Business Publishing Inc. is 190 N. Independence Mall West Suite 601 Philadelphia, PA 19106, USA.

Address of IOP Publishing Consultants (Beijing) Co Limited is Room 608, Building A, Raycom Info Tech Park, No.2 Kexueyuan South Road, Beijing China 100190.

Address of Turpion Limited is Temple Circus House, Temple Way, Bristol BS1 6HG.

Address of Turpion-Moscow Limited is MIAN, 8 Gubkina Street, Room 915, Moscow 119991, Russia.

Address of IOP Marketing and Promotion Services Private Limited is SF-6, Golden Enclave, 184 PH Road, Chennai, India.

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

## 16. Investments in subsidiary undertakings (continued)

Details of the net assets, turnover, expenditure and profit for the year of IOP Publishing Limited, IOP Enterprises Limited, IOP Publishing Inc., IOP Business Publishing Inc., IOP Publishing Consultants (Beijing) Co Limited, Turpion Limited and IOP Marketing and Promotion Services Private Limited are as follows:

	Company number	Net assets/ (liabilities)	Turnover	Expenditure	Profit
		2020	2020	2020	2020
		£'000	£'000	£'000	£'000
IOP Publishing Limited	00467514	20,760	70,434	(49,650)	20,784
IOP Enterprises Limited	03471563	4	-	-	-
IOP Publishing Inc.	26-2659520	1,468	4,251	(3,679)	572
IOP Business Publishing Inc.	26-2301131	(912)	218	(213)	4
IOP Publishing Consultants (Beijing) Co Limited	No.05292	231	1,078	(1,045)	33
Turpion Limited	02463452	341	1,975	(1,883)	92
IOP Marketing and Promotion Services Private Limited	U74999TN201 6FTC103739	72	250	(228)	22

## 17. Investments

Group and charity	2020	2019
	£'000	£'000
Market value at beginning of the year	21,799	20,609
Purchases in year	7,221	6,966
Disposal proceeds in year	(7,221)	(6,966)
Realised gains	27	172
Unrealised gains	1,127	1,018
Market value at end of the year	22,953	21,799
Historical cost	21,739	21,712

No investment management cost was incurred in 2020 or 2019.

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

## 17. Investments (continued)

The analysis of investments by class is as follows:

Group and charity	2020	2019
	£'000	£'000
Vanguard FTSE Global All Cap Index Fund	9,425	6,961
BNY Mellon Real Return Fund Newton Institutional	6,097	-
CCLA COIF Charities Property Fund	4,468	5,220
Invesco Global Targeted Returns Fund (UK)	2,963	9,618
Market value of investments	22,953	21,799

## 18. Debtors

	Group	Group	Charity	Charity
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade debtors	12,364	5,924	4	31
Other debtors	982	1,215	749	683
Prepayments and accrued income	3,231	10,522	661	588
<b>Total</b>	<b>16,577</b>	<b>17,661</b>	<b>1,414</b>	<b>1,302</b>

An impairment loss of £105k (2019: £35k) was recognised in the consolidated Statement of Financial Activities for the year in respect of bad and doubtful trade debtors. A write back of £71k for 2020 was recognised in the Charity Statement of Financial Activities for the year in respect of bad and doubtful trade debtors (2019: impairment loss of £32k).

Included within Other debtors is an amount of £48k (2019: £209k) relating to recoverable Indian withholding tax that is expected to fall due for payment in greater than one year.

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

## 19. Creditors: amounts falling due within one year

	Group	Group	Charity	Charity
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade creditors	1,973	1,064	515	384
Amounts owed to group undertakings	-	-	675	14,928
Other creditors	5,736	5,298	119	274
Other taxes and social security	178	334	178	-
Accruals	4,505	5,193	321	823
Deferred income	15,755	13,748	441	890
<b>Total</b>	<b>28,147</b>	<b>25,637</b>	<b>2,249</b>	<b>17,299</b>

Deferred income represents income received in advance:

	Group	Group	Charity	Charity
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Journals subscriptions	14,374	12,770	-	-
Membership income	191	387	191	387
Other	1,190	591	250	503
<b>Total</b>	<b>15,755</b>	<b>13,748</b>	<b>441</b>	<b>890</b>

Amounts due to group undertakings are interest free and repayable on demand.

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

## 20. Financial instruments

The group's and charity's financial instruments may be analysed as follows:

	Group	Group	Charity	Charity
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	<b>22,953</b>	21,799	<b>22,953</b>	21,799
Financial assets measured at amortised cost	<b>42,684</b>	34,001	<b>1,626</b>	10,986
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<b>(12,214)</b>	(11,555)	<b>(1,630)</b>	(16,409)

Financial assets measured at fair value through profit or loss comprise fixed asset investments in a trading portfolio of listed company shares.

Financial assets measured at amortised cost comprise trade debtors, other debtors, amounts owed by group undertakings, current asset investments and cash at bank.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and amounts owed to group undertakings.

## 21. Provisions for liabilities

	Group	Group	Charity	Charity
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Dilapidations provision	<b>806</b>	806	<b>806</b>	806

Included within provisions is a provision of £806k (2019: £806k) for costs relating to the exit of leasehold premises which are not expected to crystallise before Q3 2021. The amount payable will be agreed through future negotiation at such point that an exit occurs.

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

**22. Movement on reserves**

<b>Institute of Physics – Group</b>	<b>General fund</b>	<b>Restricted funds</b>	<b>Pension deficit</b>	<b>Total</b>
	£'000	£'000	£'000	£'000
At 1 January 2020	64,530	3,355	(3,322)	<b>64,563</b>
Net income / (expenditure)	10,115	(52)	941	<b>11,004</b>
Exchange adjustments	45	-	-	<b>45</b>
Actuarial losses	-	-	(8,502)	<b>(8,502)</b>
Balances carried forward as at 31 December 2020	<b>74,690</b>	<b>3,303</b>	<b>(10,883)</b>	<b>67,110</b>

<b>Institute of Physics – Charity</b>	<b>General fund</b>	<b>Restricted funds</b>	<b>Pension deficit</b>	<b>Total</b>
	£'000	£'000	£'000	£'000
At 1 January 2020	46,121	3,355	(3,322)	<b>46,154</b>
Net income / (expenditure)	9,653	(52)	941	<b>10,542</b>
Actuarial losses	-	-	(8,502)	<b>(8,502)</b>
Balances carried forward as at 31 December 2020	<b>55,774</b>	<b>3,303</b>	<b>(10,883)</b>	<b>48,194</b>

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

**22. Movement on reserves (continued)**

<b>Group and charity</b>	<b>Prize funds</b>	<b>Other funds</b>	<b>Total</b>
Restricted funds	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balance at 1 January 2020	52	3,303	<b>3,355</b>
Incoming resources	-	380	<b>380</b>
Resources expended	(2)	(430)	<b>(432)</b>
Balance at 31 December 2020	50	3,253	<b>3,303</b>

Restricted funds are held by the IOP and were given to the IOP to spend towards specific projects and purposes. Prize funds are held by the IOP to give out as awards to individuals for their exceptional contribution towards physics. Other funds are to be spent on specific projects.

**Analysis of Net Assets by Fund**

<b>Institute of Physics – Group</b>	<b>General fund</b>	<b>Restricted funds</b>	<b>Pension deficit</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Intangible Fixed Assets	3,894	-	-	<b>3,894</b>
Tangible Fixed Assets	34,885	-	-	<b>34,885</b>
Investments	22,953	-	-	<b>22,953</b>
Current Assets	41,911	3,303	-	<b>45,214</b>
Current Liabilities	(28,147)	-	-	<b>(28,147)</b>
Non-Current Liabilities	(806)	-	(10,883)	<b>(11,689)</b>
Balances carried forward	74,690	3,303	(10,883)	<b>67,110</b>

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

## 23. Pensions

The Group operates three pension schemes.

### Defined benefit pension scheme

The Institute of Physics Retirement Benefits Plan 1975 was closed to new members on 31 December 2001. The IOP continues to support the scheme for those who were members on the effective date of closure.

The Defined Benefits scheme is overseen by its own independent Trustee Board and supported by the scheme actuaries XPS Pensions. The chair is a pension specialist and the trustee group has both employee and employer representatives on it. The Pension Trustees and the IOP have set out a jointly agreed Integrated Risk Management strategy which has a target of bringing the scheme firstly out of deficit by 2025 and then to self-sufficiency by 2029. The scheme is assessed as having a strong employer covenant.

A group personal pension scheme was established to replace the defined benefit scheme with effect from 1 January 2002. This scheme closed to new members on 31 January 2014 and a new Group personal pension scheme was established from 1 February 2014. The IOP has also designated a stakeholder pension scheme in compliance with the Pensions Act 1995.

The most recent FRS 102 valuation of the Institute of Physics Retirement Benefits Plan 1975 dated 31 December 2020 showed that the value of the scheme's assets as at that date was £108,739k (2019: £97,365k) and that the actuarial value of those assets represented 91% (2019: 96%) of the benefits that had accrued to members, after allowing for expected future increases in earnings. No changes to the funding arrangements of the scheme are considered to be required as a result of the most recent FRS 102 valuation of the scheme.

The scheme published its triennial revaluation of 31 December 2019 in 2020. The triennial valuation, updated to the end of 2020, showed a deficit of £7.5m due to a difference in methodology.

The principal actuarial assumptions used by the actuary at the Balance Sheet date were:

	2020	2019
	%	%
Discount rate	1.35	2.10
Aggregate long-term expected rate of return on assets (net of expenses)		
Inflation (RPI)	2.95	3.05
Inflation (CPI)	2.30	2.15
Future increases in deferred pensions		
Rate of increase in salaries	2.95	3.05
Rate of increase to pensions in payment:		
Pre 2001 pension	5.00	5.00
2001-2006 pension	2.95	3.05
Post 2006 pension	2.10	2.05
Mortality assumptions:	Years	Years
Life expectancy of male aged 65 now	22.3	22.0
Life expectancy of male aged 65 in 20 years	23.6	23.3
Life expectancy of female aged 65 now	24.6	24.0
Life expectancy of female aged 65 in 20 years	26.0	25.5

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

**23. Pensions (continued)**

Cash commutation:

- 2020: Members take 75% of their max allowable pension commencement lump sum on current terms
- 2019: Members take 75% of their max allowable pension commencement lump sum on current terms

Reconciliation of fair value of plan liabilities:

	2020	2019
	£'000	£'000
At the beginning of the year	100,687	89,780
Interest cost	2,086	2,576
Remeasurement losses/(gains)		
Actuarial losses	19,568	10,348
Benefits paid	(2,719)	(2,017)
At the end of the year	119,622	100,687

Changes in the fair value of plan assets:

	2020	2019
	£'000	£'000
At the beginning of the year	97,365	84,425
Interest income	2,027	2,437
Remeasurement gains/(losses):		
Return on scheme assets excluding interest	11,066	11,452
Contributions by employer	1,000	1,068
Benefits paid including expenses	(2,719)	(2,017)
At the end of the year	108,739	97,365
Actual return on plan assets	13,093	13,889

	2020	2019
	£'000	£'000
Fair value of plan assets	108,739	97,365
Actuarial value of plan liabilities	(119,622)	(100,687)
Net pension scheme liability	(10,883)	(3,322)

Group and charity	2020	2019
	£'000	£'000
Pension liability recognised on the balance sheet	10,883	3,322

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

### 23. Pensions (continued)

Amounts recognised in profit or loss are as follows:

Group and charity	2020	2019
	£'000	£'000
Net interest cost	59	139
<b>Total</b>	<b>59</b>	139

#### Analysis of actuarial (loss)/gain recognised within the Statement of Financial Activities gains and losses category

Group and charity	2020	2019
	£'000	£'000
Actual return less interest income included in net interest income	11,066	11,452
Changes in assumptions underlying the present value of the scheme liabilities	(19,568)	(10,348)
Actuarial (loss) /gain on defined benefit pension scheme	<b>(8,502)</b>	1,104

#### Composition of plan assets

	2020	2019
	£'000	£'000
Equities	19,913	18,739
Diversified growth funds	34,052	33,511
Annuities	9,110	8,957
Liability Driven Investment funds	35,839	26,897
Partners Fund	9,930	9,178
Cash	(105)	83
<b>Total plan assets</b>	<b>108,739</b>	97,365

#### Defined contribution pension schemes

The amount recognised in the Statement of Financial Activities as an expense in relation to the group's defined contribution pension schemes is £2,258k (2019: £2,220k). There was no outstanding payable to the schemes at the year end of 2020 and 2019.

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

**24. Analysis of changes in net funds**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	£'000
Decrease in cash and cash equivalents	<b>9,474</b>	4,115
Exchange translation	<b>45</b>	(130)
<b>Movement in net funds in the year</b>	<b>9,519</b>	3,985
Net funds brought forward	<b>19,118</b>	15,133
<b>Net funds carried forward</b>	<b>28,637</b>	19,118

**25. Commitments under operating leases****Group**

The group has minimum lease payments under non-cancellable operating leases as set out below:

	<b>Land and buildings</b>	<b>Land and buildings</b>
	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	£'000
Not later than 1 year	<b>727</b>	1,087
Later than 1 year and not later than 5 years	<b>347</b>	661
Later than 5 years	-	21
<b>Total</b>	<b>1,074</b>	1,769

**Charity**

The charity has minimum lease payments under non-cancellable operating leases as set out below:

	<b>Land and buildings</b>	<b>Land and buildings</b>
	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	£'000
Not later than 1 year	<b>564</b>	676
Later than 1 year and not later than 5 years	-	133
<b>Total</b>	<b>564</b>	809

The Temple Circus lease, which expires in 2021, is being renegotiated with a view to extension.

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

**26. Amounts receivable under operating leases**

The charity has minimum lease payments receivable under non-cancellable operating leases as set out below:

	Land and buildings 2020	Land and buildings 2019
	£'000	£'000
Not later than 1 year	704	845
Later than 1 year and not later than 5 years	-	167
<b>Total</b>	<b>704</b>	<b>1,012</b>

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

## 27. Related parties

The transactions noted below are all reported due to the individuals being trustees, directors or key management personnel. The transactions were entered into by the organisations listed below:

Individual	Related organisation	Role within related organisation	Description of transaction	Amount (£) Sales by IOPP	Amount (£) outstanding at year end
Martin Freer	University of Birmingham	Director of the Birmingham Energy Institute	Article charges & subscriptions	63,039	1,860
Tariq Ali		Deputy Pro-Vice Chancellor	Advertising	3,895	3,480
Brian Fulton	University of York	Dean of faculty of Sciences & member of University Executive Board	Article charges, ebooks & subscriptions	62,625	-
			Advertising	1,495	-
Jim Al-Khalili	University of Surrey	Distinguished Chair	Article charges & subscriptions	45,099	51,941
			Advertising	295	-
Wendy Flavell	University of Manchester	Vice Dean for Research in Faculty of Science and Engineering and Deputy Head of School in Department of Physics and Astronomy	Article charges offsetting	66,149	80,523
Alix Pryde	Queen Mary University of London	Council Member	Article charges	3,192	-
Martin Hendry	University of Glasgow	Head of Physics and Astronomy	Article charges & subscriptions	48,842	-
Sheila Rowan		Director of Institute for Gravitational Research			
Claudia Eberlein	Loughborough University	Dean of Science, Professor of Theoretical Physics & Member of Council	Article charges	1,550	-
Tariq Ali		Member of the Board – Industrial Policy Research Centre UK at University of Loughborough/MTC			
Mark Telling	Science and Technology Facilities Council (STFC)	Associate Director	Article charges	750	-

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

**27. Related parties (continued)**

Individual	Related organisation	Role within related organisation	Description of transaction	Amount (£) Purchases by IOP
Martin Freer	University of Birmingham	Director of the Birmingham Energy Institute	Grants & scholarship sponsorship	23,844
Tariq Ali		Deputy Pro-Vice Chancellor		
Brian Fulton	University of York	Dean of faculty of Sciences & member of University Executive Board	Conference support & exhibition costs	19,000
Paul Hardaker	Sense about Science	Trustee	IOP annual partnership grant – not involved in any decision making related to the Sense about Science Partnership Grant	16,100
Claudia Eberlein	Loughborough University	Dean of Science, Professor of Theoretical Physics & Member of Council	Workshop & lecture programmes	1,583
Tariq Ali		Member of the Board – Industrial Policy Research Centre UK at University of Loughborough/ MTC		
Martin Hendry	University of Glasgow	Head of Physics and Astronomy	Grants & bursaries	328
Sheila Rowan		Director of Institute for Gravitational Research		

Individual	Related organisation	Role within related organisation	Description of transaction	Amount (£) Invoiced by IOP
Mark Telling	Science and Technology Facilities Council (STFC)	Associate Director	Project Income	20,000
			Catering income	487

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