

Conformed Copy

IOP Institute of Physics

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

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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 ¹
President-elect	Professor Michele Dougherty CBE FRS FInstP FRAS FRSSAf	1 Oct 2023	30 Sep 2025 ²
Honorary Secretary	Professor Alison McMillan CEng CPhys FInstP FIMechE FHEA	1 Oct 2021	30 Sep 2025 ³
Honorary Treasurer	Professor David Delpy CBE FRS FREng CPhys FInstP FMedSci	1 Oct 2019	30 Sep 2027 ⁴
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

¹ Was President-elect from 1 Oct 2021 to 30 Sep 2023

² To be President from 1 Oct 2025 to 30 Sep 2027

³ Eligible to stand for election for a second term.

⁴ 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 ⁵	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.

⁵ 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.

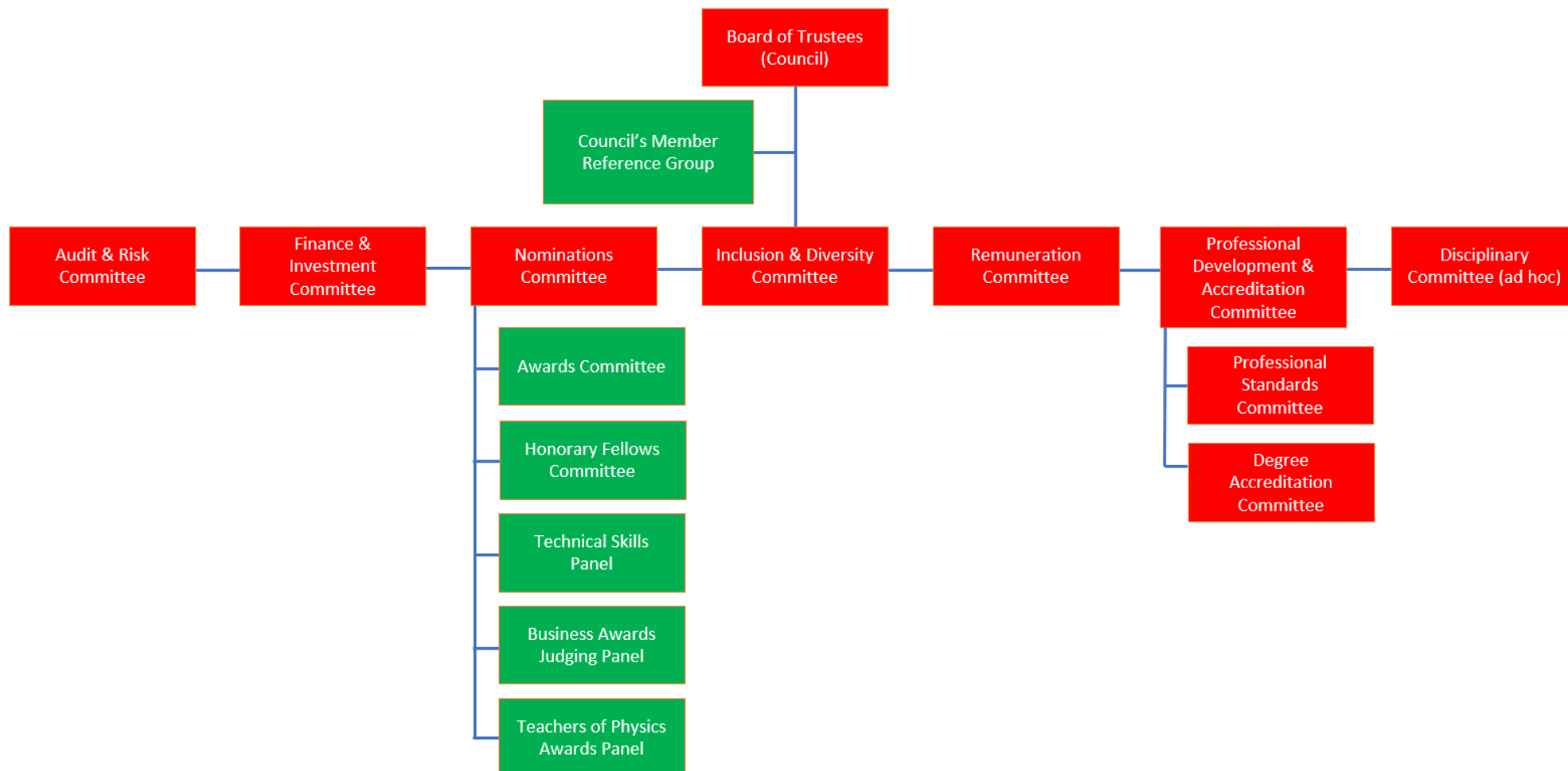
Council's Member Reference Group

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:

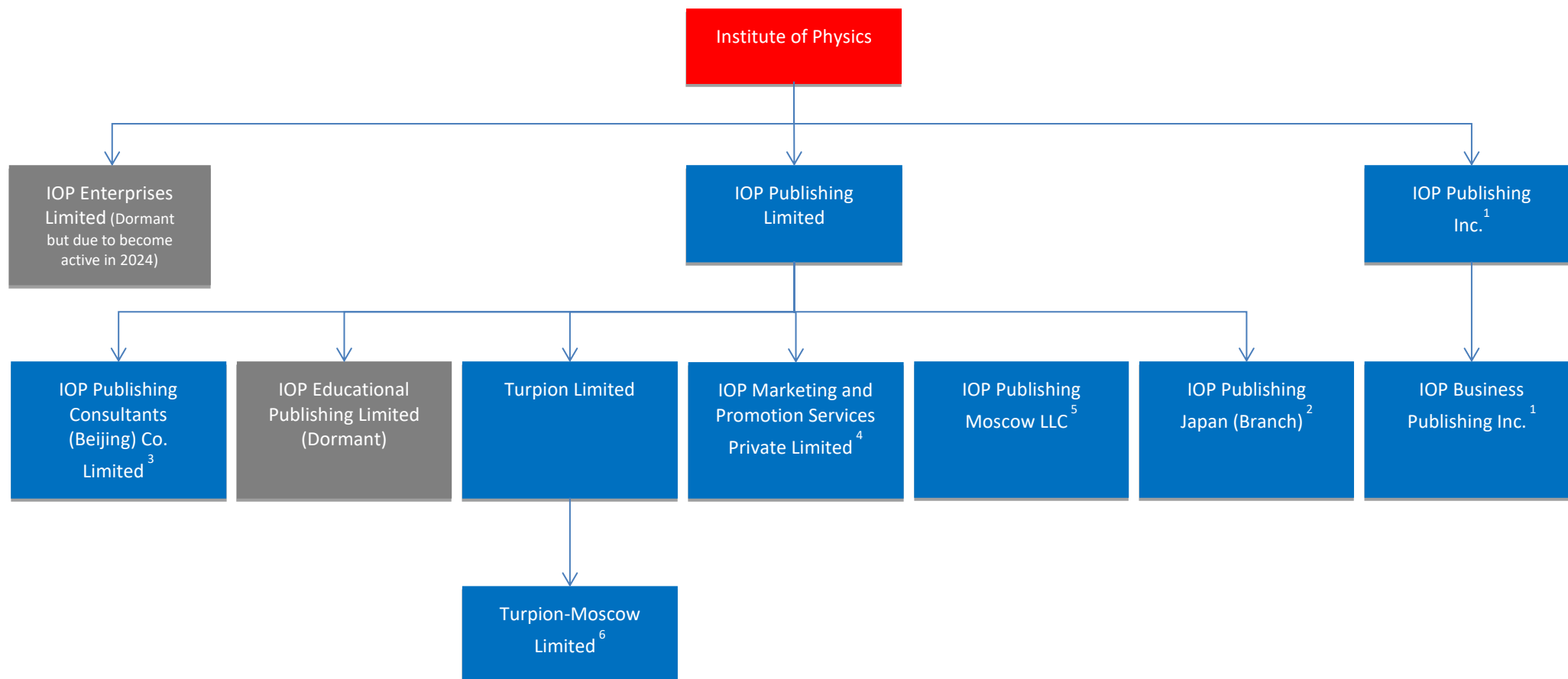
IOP Educational Publishing Limited

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.

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](http://www.ioppublishing.org/legal/environmental-policy) 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](http://www.ioppublishing.org/legal/environmental-policy) is available at 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 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.

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. 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
Income from:						
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
Total income	3 & 5	91	161	71,669	71,921	74,883
Expenditure on:						
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)
Total expenditure	7	(195)	(220)	(77,550)	(77,965)	(76,855)
Net gains / (losses) on investments	17	163	-	1,077	1,240	(2,473)
Net income / (expense)		59	(59)	(4,804)	(4,804)	(4,445)
Transfer between funds		391	-	(391)	-	-
Other recognised losses						
Actuarial losses on defined benefit pension scheme	23	-	-	(354)	(354)	(215)
Exchange difference on retranslation of net assets of subsidiary undertakings		-	-	(66)	(66)	610
Net movement in funds		450	(59)	(5,615)	(5,224)	(4,050)
Fund balances brought forward		2,690	422	76,518	79,630	83,680
Fund balances carried forward	22	3,140	363	70,903	74,406	79,630

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

		2023	2023	2023	2023	2022
	Note	Endowment £'000	Restricted £'000	Unrestricted £'000	Total £'000	Total £'000
Income from:						
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
Total income		91	161	21,050	21,302	27,448
Expenditure on:						
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)
Total expenditure		(195)	(220)	(20,162)	(20,577)	(18,340)
Net gains / (losses) on investments	17	163	-	1,077	1,240	(2,473)
Net income / (expense)		59	(59)	1,965	1,965	6,635
Transfer between funds		391	-	(391)	-	-
Other recognised losses						
Actuarial losses on defined benefit pension scheme	23	-	-	(354)	(354)	(215)
Net movement in funds		450	(59)	1,220	1,611	6,420
Fund balances brought forward		2,690	422	68,118	71,230	64,810
Fund balances carried forward	22	3,140	363	69,338	72,841	71,230

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
Fixed assets					
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>
Current assets					
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>
Creditors: amounts falling due within one year	19	<u>(44,331)</u>	<u>(43,701)</u>	<u>(2,470)</u>	<u>(2,417)</u>
Net current assets		6,639	14,017	12,636	11,322
Provisions for liabilities	21	(512)	(772)	(512)	(772)
Defined Benefit Pension scheme surplus	23	91	696	91	696
Net Assets		<u>74,406</u>	<u>79,630</u>	<u>72,841</u>	<u>71,230</u>
Charity Funds					
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
Total Charity funds		<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

	2023 £'000	2022 £'000
Cash flows from operating activities		
Net expense for the year	(4,804)	(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)
Net cash used in operating activities	(378)	(1,941)
Cash flows from investing activities		
Purchases of fixed assets and intangible assets	(4,799)	(8,328)
Interest received	220	-
Dividends received on fixed and current asset investments	228	231
Net cash used in investing activities	(4,351)	(8,097)
Net decrease in cash and cash equivalents	(4,729)	(10,038)
Cash and cash equivalents at beginning of year	28,214	37,642
Foreign exchange gains	71	610
Cash and cash equivalents at end of year	23,556	28,214
Cash and cash equivalents comprise:		
Cash at bank and in hand	23,556	28,214
	23,556	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
Income from:									
Donations and legacies		-	-	1,118	1,118	-	-	138	138
Charitable activities:									
Membership		-	-	1,672	1,672	-	-	1,684	1,684
Programmes		7	161	1,642	1,810	25	326	2,458	2,809
Scientific Publications		-	-	64,728	64,728	-	-	68,075	68,075
Other trading activities		-	-	1,732	1,732	-	-	1,725	1,725
Investments	6	84	-	777	861	28	-	423	451
Other		-	-	-	-	-	-	1	1
Total income	5	91	161	71,669	71,921	53	326	74,504	74,883

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
Expenditure on:									
Raising funds		-	-	86	86	-	-	79	79
Charitable activities:									
Scientific Publications	7	-	-	57,990	57,990	-	-	58,821	58,821
Ecosystem	7	-	201	3,401	3,602	-	279	4,563	4,842
Productivity	7	-	-	191	191	-	-	575	575
Campaign	7	-	-	774	774	-	-	509	509
Public Dialogue	7	-	-	311	311	-	-	247	247
Transformation	7	-	-	623	623	-	-	494	494
Membership	7	-	-	3,084	3,084	-	-	2,089	2,089
Business operations	7	195	19	10,923	11,137	112	106	7,640	7,858
Other		-	-	167	167	-	-	1,341	1,341
Total expenditure		195	220	77,550	77,965	112	385	76,358	76,855

Notes forming part of the financial statements (continued)

5 Analysis of incoming resources

By geographical market	2023 £'000	2022 £'000
Europe, Middle East and Africa	25,634	25,857
The Americas	25,864	28,758
Asia Pacific	20,423	20,268
Total	71,921	74,883
By class of business	2023 £'000	2022 £'000
Publishing operations	66,460	69,799
Charitable activities	1,810	2,809
Membership income	1,672	1,684
Other	1,979	591
Total	71,921	74,883

6 Investment income

	2023 £'000	2022 £'000
Dividends and interest from listed investments	641	451
Interest from cash and short term investments	220	-
Total	861	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

	2023 Activities undertaken directly £'000	2023 Grant funding activities £'000	2023 Support costs £'000	2023 Total £'000	2022 Total £'000
Raising funds	-	-	86	86	79
Charitable activities:					
Scientific Publications	57,990	-	-	57,990	58,821
Ecosystem	1,539	217	1,846	3,602	4,842
Productivity	94	-	97	191	575
Campaign	383	-	391	774	509
Public Dialogue	154	-	157	311	247
Transformation	309	-	314	623	494
Membership	1,401	-	1,683	3,084	2,089
Business operations	2,408	-	8,729	11,137	7,858
Other	-	-	167	167	1,341
Total	64,278	217	13,470	77,965	76,855

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:

	2023 Endowment £'000	2023 Restricted £'000	2023 Unrestricted £'000	2023 Total £'000	2022 Total £'000
Awards	195	5	239	439	327
Support	-	-	4,113	4,113	1,481
Membership	-	-	1,193	1,193	1,047
Technology	-	-	1,804	1,804	2,159
Facilities	-	-	2,239	2,239	1,548
Outreach	-	14	1,335	1,349	1,296
Total business operations expense	195	19	10,923	11,137	7,858

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
Total	9,063	3,433	721	13,217	12,492

* 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
	280	273

Notes forming part of the financial statements (continued)

9 Staff

Institute of Physics - Group

	2023 £'000	2022 £'000
Wages and salaries	30,990	28,553
Social security costs	2,752	2,714
Pension costs	2,968	2,713
Redundancy and severance costs	546	115
Total	37,256	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:

	2023 Number	2022 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	33
	- IOP Publishing Limited	139	135
Total		625	582

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	-	-	-	-	-
At 31 December 2023	23,175	126	217	578	24,096
<i>Accumulated amortisation</i>					
At 1 January 2023	(11,867)	(126)	(201)	-	(12,194)
Provision for the year	(2,264)	-	(7)	-	(2,271)
Disposals	-	-	-	-	-
At 31 December 2023	(14,131)	(126)	(208)	-	(14,465)
<i>Net book value</i>					
At 31 December 2023	9,044	-	9	578	9,631
At 31 December 2022	2,363	-	16	5,167	7,546

Institute of Physics - Charity	Assets in course of construction £'000	Total £'000
<i>Cost or valuation</i>		
At 1 January 2023	96	96
Additions	117	117
At 31 December 2023	213	213
<i>Accumulated amortisation</i>		
At 1 January 2023	-	-
At 31 December 2023	-	-
<i>Net book value</i>		
At 31 December 2023	213	213
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)
At 31 December 2023	2,548	33,830	1,927	3,229	41,534
<i>Accumulated depreciation & 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
At 31 December 2023	(448)	(5,548)	(363)	(1,913)	(8,272)
<i>Net book value</i>					
At 31 December 2023	2,100	28,282	1,564	1,316	33,262
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)
At 31 December 2023	2,548	33,830	1,792	468	38,638
<i>Accumulated depreciation & 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
At 31 December 2023	(448)	(5,548)	(236)	(289)	(6,521)
<i>Net book value</i>					
At 31 December 2023	2,100	28,282	1,556	179	32,117
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

	2023 £'000	2022 £'000
<i>Cost or valuation</i>		
At 1 January	3,001	3,001
At 31 December	3,001	3,001
<i>Net book value</i>		
At 31 December	3,001	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	2022
	£'000	£'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	2022
	£'000	£'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	Group	Charity	Charity
	2023	2022	2023	2022
	£'000	£'000	£'000	£'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
Total	<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

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'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
Total	44,331	43,701	2,470	2,417

Deferred income represents income received in advance:

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Journals subscriptions	26,785	23,935	-	-
Membership income	300	356	300	356
Other	894	609	257	61
Total	27,979	24,900	557	417

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:

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Financial assets				
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
Financial liabilities				
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

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
<i>Dilapidations provision</i>				
At 1 January	772	806	772	806
New provisions	-	272	-	272
Increase in provision	10	-	10	-
Adjustment on reassessment of dilapidations	(270)	(306)	(270)	(306)
At 31 December	512	772	512	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	Balance at 31 December 2023 £'000
General fund	75,822	(4,553)	(391)	-	(66)	70,812
Pension fund (deficit)/surplus	696	(251)	-	(354)	-	91
	76,518	(4,804)	(391)	(354)	(66)	70,903

	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	83,773	(8,561)	-	-	610	75,822
Pension fund (deficit)/surplus	(3,634)	4,545	-	(215)	-	696
	80,139	(4,016)	-	(215)	610	76,518

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
	68,118	1,965	(391)	(354)	-	69,338
	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
	61,269	7,064	-	(215)	-	68,118

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
	3,112	-	391	-	-	3,503
	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
	3,542	(430)	-	-	-	3,112

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:

	2023 %	2022 %
Discount rate	4.55	4.75
Aggregate long-term expected rate of return on assets (net of expenses)		
Inflation (RPI)	3.10	3.20
Inflation (CPI)	2.45	2.55
Future increases in deferred pensions:		
Rate of increase in salaries	2.45	2.60
Rate of increase to pensions in payment:		
Pre 2001 pension	5.00	5.00
2001-2006 pension	3.10	3.20
Post 2006 pension	2.05	2.10
	Years	Years
Mortality assumptions:		
Life expectancy of male aged 65 now	21.7	21.9
Life expectancy of male aged 65 in 20 years	23.0	23.1
Life expectancy of female aged 65 now	23.8	24.4
Life expectancy of female aged 65 in 20 years	25.2	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:

	2023 £'000	2022 £'000
At the beginning of the year	76,203	118,061
Past service cost / (income)	739	(3,606)
Administration costs	558	-
Interest cost	3,562	2,278
Remeasurement gains:		
Actuarial gains	(1,681)	(38,093)
Benefits and expenses paid	(3,056)	(2,437)
At the end of the year	76,325	76,203

Notes forming part of the financial statements (continued)

23 Pensions (continued)

Changes in the fair value of plan assets:

	2023 £'000	2022 £'000
At the beginning of the year	76,899	114,427
Interest income	3,608	2,217
Remeasurement losses:		
Return on scheme assets excluding interest	(2,035)	(38,308)
Contributions by employer	1,000	1,000
Benefits and expenses paid	(3,056)	(2,437)
At the end of the year	<u>76,416</u>	<u>76,899</u>
Actual return on plan assets	1,573	(36,091)
	2023 £'000	2022 £'000
Fair value of plan assets	76,416	76,899
Actuarial value of plan liabilities	(76,325)	(76,203)
Net pension scheme asset	<u>91</u>	<u>696</u>

	Group and Charity	
	2023 £'000	2022 £'000
Pension asset recognised on the balance sheet	<u>91</u>	<u>696</u>

Amounts recognised in profit or loss are as follows:

	Group and Charity	
	2023 £'000	2022 £'000
Past service cost / (income)	739	(3,606)
Administration costs	558	-
Net interest (income) / cost	(46)	61
Total	<u>1,251</u>	<u>(3,545)</u>

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

	Group and Charity	
	2023	2022
	£'000	£'000
Actual return less interest income included in net interest cost	(2,035)	(38,308)
Changes in assumptions underlying the present value of the scheme liabilities	1,681	38,093
Actuarial loss on defined benefit pension scheme	(354)	(215)

Composition of plan assets

	2023	2022
	£'000	£'000
Equities	-	10,664
Diversified growth funds	9,318	10,702
Annuities	6,489	5,835
Liability Driven Investment funds	49,837	13,576
Multi-asset fund	7,705	11,996
Cash	3,067	24,126
Total plan assets	76,416	76,899

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:

	Land and buildings 2023 £'000	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
	5,608	5,427

Charity

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

	Land and buildings 2023 £'000	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
	4,775	4,923

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:

	Land and buildings 2023 £'000	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
	5,780	6,495

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
Sheila Rowan #		Chair of Natural Philosophy (Physics & Astronomy)			
	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.

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