



The IET Trustees'

Annual Report and Accounts 2022

Year ended | 31 December 2022



"On behalf of everyone at the Institution of Engineering and Technology (IET) and our global engineering community, we were saddened to learn of the death of HM The Queen, Patron of the IET.

Her Majesty was an unwavering advocate of engineering and technology and graciously consented her patronage to the Institution in 1953. During the IET's 150th anniversary in 2021 she credited those within the profession as playing a key role in solving global challenges, as well as continuing to improve the lives of millions of people all over the world.

We're extremely grateful for The Queen's loyal service over the last 70 years. Our greatest sympathies go out to the Royal Family."

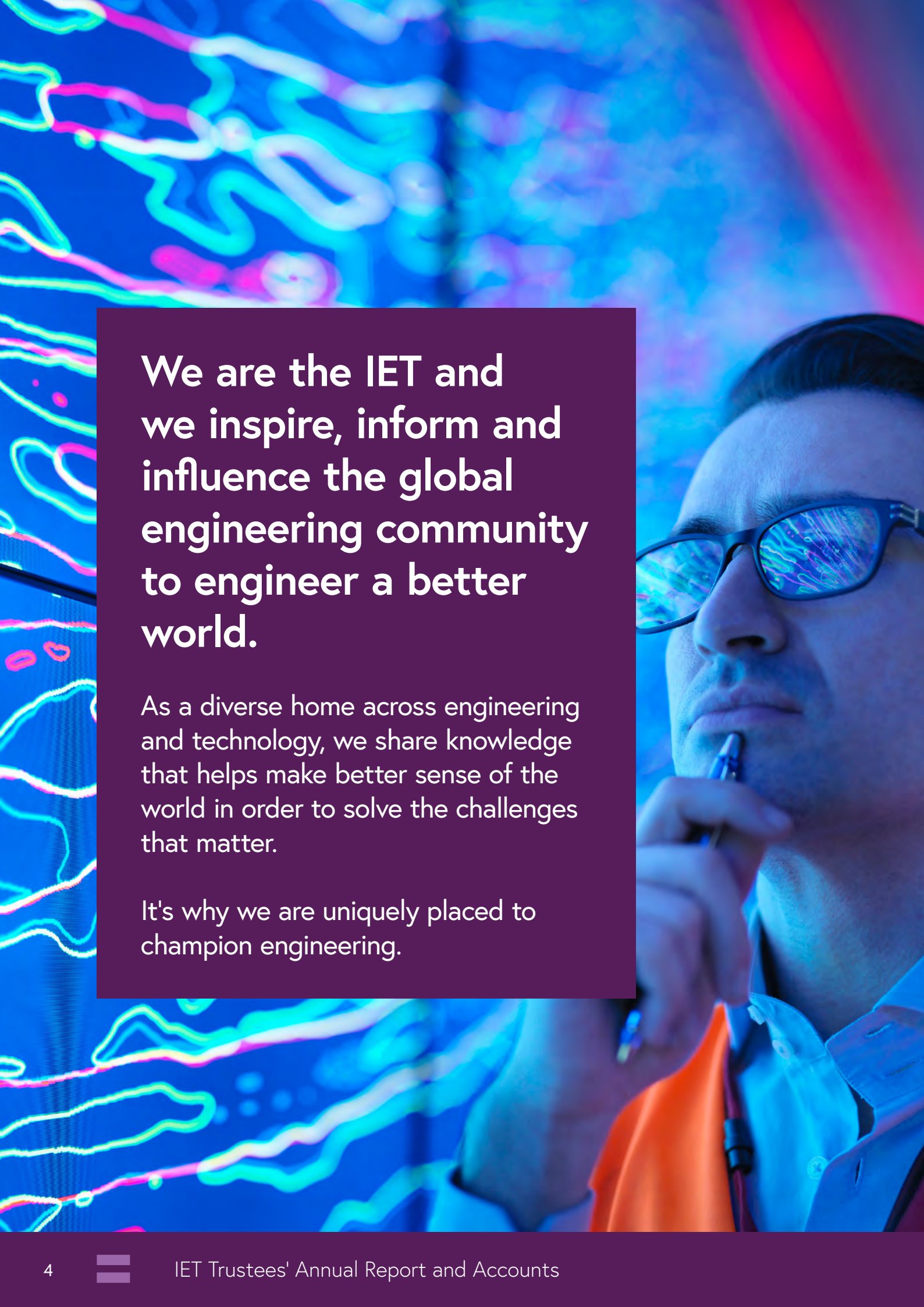
Sir Julian Young

KBE CB OBE FREng CEng FIET
IET President 2021/22



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We are the IET and we inspire, inform and influence the global engineering community to engineer a better world.

As a diverse home across engineering and technology, we share knowledge that helps make better sense of the world in order to solve the challenges that matter.

It's why we are uniquely placed to champion engineering.

Report of the Trustees

from the President, and Chief Executive and Secretary

Moving away from COVID-19 pandemic restrictions this year provided a greater opportunity for in-person collaboration and connection. Our commitment to engineering a better world and inspiring the next generation of engineers is at the heart of what we do and our global, far-reaching activities and initiatives reflect this. In 2022, we were able to engage with our members, volunteers and the wider engineering and technology community in-person, as well as remotely, for the first time in over two years as we worked towards delivering our Strategy 2030.

In June 2022, Nigel Fine stepped down from his position as Chief Executive and Secretary after 13 years at the helm and we'd like to thank him for so many years of service to the IET. His leadership of the staff team has been critical to the IET's development as the world-leading and forward-thinking organisation that it is today and Nigel played a key role in progressing our influence and engagement as a global, diverse professional institution which provides a legacy which we are now building on.

Connecting on a global scale

Our Strategy 2030 is built around five strategic themes that provide a framework for all our activity and solutions. Education is one of these and so it was great to see our STEM education programmes - Faraday Challenge Days and *FIRST*® LEGO® League - return to full in-person delivery in 2022 following the disruption caused by the pandemic. These two programmes combined allowed us to reach around 46,000 students from all backgrounds and circumstances with inspiring STEM experiences.

Throughout the pandemic, we have seen first-hand the key role that engineering and technology plays in keeping our world moving and progressing forward. The pandemic highlighted the importance of having a strong engineering pipeline of talent able to solve the challenges of the future. Our education programmes continue to encourage and inspire the next generation by engaging young people in the exciting world of STEM and showing how they can make a difference to the world as an engineer or technician.

Our team in India successfully delivered the first in-person event in over two years in Bangalore. The Future Tech Congress brought together over 700 attendees across policy makers, academia, industry experts, business leaders and technology start-ups

to explore how futuristic technologies will help to solve real-world problems and meet customer needs. It was a fantastic event with an agenda of over 70 speakers sharing insight and experience across numerous topics.

Towards the end of the year, we launched the latest offering in global engineering skills research - the UAE Skills Survey – in Dubai. We developed a report that included recommendations that will support the development of a steady pipeline of talented engineers in the UAE.

Sharing knowledge and insight

We continued to use thought leadership and policy to build public trust in engineering, particularly around emerging technologies. Our 'Safeguarding the Metaverse' report was widely covered in the media as part of a national awareness campaign. The report explores existing and future harms in virtual reality and the metaverse to support UK immersive technology policymaking. It called for the UK Government to ensure its proposed Online Safety Bill adequately covered safety risks associated with emerging technologies with a focus on those in immersive environments. While emerging technologies can offer wide benefits to society as a whole, it is imperative that the legislation is in place to ensure they keep us all safe.

On the subject of influencing UK Government, our Engineering Kids' Futures campaign was launched in 2022, making a series of recommendations for policy makers to support raising the profile of engagement with engineering and technology within

schools as the key to delivering the Government's ambitions for a high skill, high wage economy. The campaign featured a Parliamentary reception, which we held in December 2022 and was hosted by IET Fellow and engineering advocate Chi Onwura MP, alongside IET Past President Professor Danielle George.

We continued our commitment of inspiring and supporting engineers and technicians to professionally develop, learn and network. Our 43 Journals span all areas of engineering and technology and over the course of the year, we published more than 3,600 papers. Our Journals are now fully gold Open Access, providing researchers and practitioners around the world with immediate and free access to high quality content. We published 65 new books in 2022, spanning a wide range of subjects.

We also made it simpler for engineers and technicians to network, learn and collaborate with the launch of our peer-to-peer professional online resource, IET EngX®. As a practical place for practical advice, information and networking to help users in their career, it has grown into a community of more than 26,000 engineering and technology professionals. Over 13,000 forum posts have now been hosted and more than 300 blog posts and comments have been published.

Our focus on engineering excellence has progressed this year and promoting the importance of professionalism and high standards remains an important element of our activities. Our work alongside our Academic, Corporate, Enterprise and MOD partners to support the development of their engineers and technicians is one example of

this. Our partnership community has grown from strength to strength since it began in 2009 and together, we're ensuring that the future for engineering is bright. In 2022, we reached a fantastic milestone of 500 partners and 200 Corporate partners.

Focused on the future

We remain committed to achieving the goals set out in our Strategy 2030 that will allow us to inspire, inform and influence the global engineering community. We will continue to shine a spotlight on how engineers are transforming our world for the better and the role that we can all play in supporting and developing the engineers of the future.

At the IET we believe that every child, regardless of their background, should be enabled to participate in our programmes.

We want to see more disadvantaged young people participating in our programmes, attending our finals, being inspired, and progressing through to the most rewarding careers in STEM. In order to achieve this goal, we will continue to work with partners throughout 2023 to ensure that higher numbers of less advantaged pupils and students can participate in IET activities and start their engineering and technology journey.

Engineers have creative and analytical skills, intelligence, dependability and drive that make them outstanding leaders. We will guide and support our members to unlock their leadership potential and development and share their knowledge and experience with the next generation through mentorship. It has been another year with excellent progress and we would like to thank our members, volunteers and staff who have helped make these achievements possible.



Professor Bob Cryan

CBE DL FREng MBA DSc CEng FIET,
IET President

Bob Cryan



Ed Almond

MSc MBA FCA FIET,
IET Chief Executive and Secretary

Ed Almond

Our aims and objectives

Working to Engineer a Better World

Who do we work with?

Industry

Engineers and Technicians have vital roles within both dedicated engineering and non-engineering organisations due to their wide and varied range of skills. Naturally, our support for our communities is tailored for organisations of all sizes, from micro-SMEs through to large multi-national companies.

Practitioner

In addition to their employer-led goals, the IET provides support and development opportunities for individual practitioners, wherever they are in their career journeys. This segment includes any practising engineer or technician in addition to those students and apprentices who are on a pathway to becoming a successful engineer or technician.

Academia

This segment includes any recognised learning provider supplying qualifications to learners beyond their compulsory education phase. Our support extends to both learners and academic researchers, plus supporting roles including faculty and librarians.

Society

Our role as an advocate for engineering means that we need to provide impartial and expert advice to anyone navigating the impact of technology and engineering in their day-to-day lives. As a result, this segment includes the general public; children, adults, parents, and schoolteachers. Naturally we also dedicate a lot of effort to working effectively with the UK Government and other Professional Engineering Institutions.



Our vision is to "engineer a better world" and we seek to achieve this by pursuing our mission of "inspiring, informing and influencing the global engineering community to support technology innovation and meet the needs of society".



The IET's purpose is "to promote the general advancement of science, engineering and technology and to facilitate the exchange of information and ideas on these subjects amongst the members of the IET and otherwise."

Extract from the IET Royal Charter



Our values



We work with Integrity,

operating professionally and ethically to gain trust. We must be open and honest with each other and respect everyone, valuing each other's contribution. In the 21st Century, this focus on integrity also extends to valuing the work of subject matter experts and communicating their findings to the public in a manner that is easy to understand and, importantly, trust.

We work with Excellence,

to deliver the highest level of service and satisfaction, using agile methods and seeking innovative solutions to add value. And our role is to continually improve and adopt best practices for the good of engineering and technology communities across the globe.



We promote and encourage Teamwork.



The IET recognises that we must continue to work together and encourage talented individuals working in our teams and in our volunteer communities. More than ever, we must be collaborative both within the IET and externally, with our remit to partner with other likeminded organisations and optimise our respective outcomes.

Our Strategy 2030



Engineering and Technology
are changing – and so are we.

Our ongoing 2030 Strategy will
ensure that the Institution meets the
changing needs of our stakeholder
members and society in general.



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The Strategy focuses on:

How we connect what we do at
the IET to create unique value for our audiences
(Strategic Themes).

How we communicate with
society and support engineers and technicians
in dealing with major world challenges (Societal
Challenges).

Our Strategy is actioned by the operating
expertise of our staff and volunteer teams and is
overseen by our Main Boards: Knowledge Services
and Solutions; Membership and Professional
Development; and Volunteer Engagement. Their
responsibilities are to deliver a portfolio of
products, services and solutions that support the
delivery of the IET Strategy 2030.



Strategic Themes

Through understanding the needs
of our audiences and aligning
these around specific themes,
we can deliver effective solutions.

Our Strategic Themes
are as follows:

Engineering Excellence



2030 Ambition

We champion excellence in engineering, from the professionalism of our members to the trusted knowledge we share.

Professionalism is the foundation on which the IET is built.

The essentials of our Engineering Excellence theme are: a strong focus on professionalism; being a role model amongst our peers; talking to society about the importance and meaning of professionalism in engineering; and supporting industry and practitioners to achieve the highest standards.



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Skills, Learning and Networks



2030 Ambition

Our value is recognised by a membership of 200,000 with a global engineering/technician digital audience of 1,000,000.

Supporting engineers and technicians to continue learning and developing their skills throughout their career and connecting them to their peers is core to the IET's purpose and activities.

Through this theme, our ambition over the rest of the decade is to become the most engaging and relevant Professional Engineering Institution to the engineer and technician community, using the latest technologies to create an immersive, inclusive and enriching experience.



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Research Solutions



2030 Ambition

We help the engineering and technology research communities to solve world problems through our role as a leading provider of best-in-class information, intelligence and analytics tools.

The IET provides workflow solutions to the global science and technology research community, ranging from journal and book publications (digital), library and archives, to indexing and analytics for scientific and technical literature.

Following our shift towards Open Access Publishing, our strategy is to expand with further content across the broad spectrum of Engineering and Technology subjects, and move away from being known as a "publisher" to become a workflow solution provider, building on the success of Inspec Analytics and moving further into analytic services.

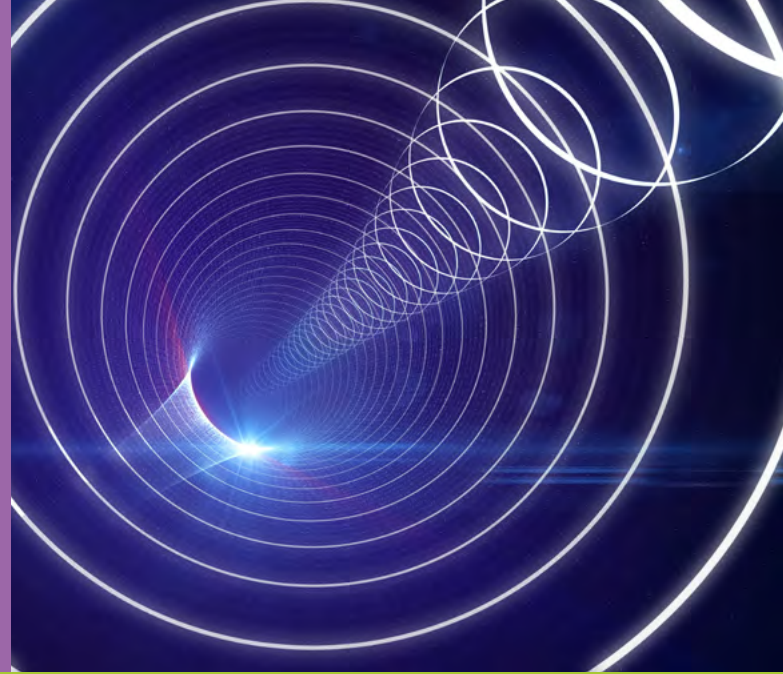


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Thought Leadership and Policy



2030 Ambition

Our influence is seen in society every day.

Engineering and technology solutions provide the answers to some of society's most pressing challenges, but this requires a supportive regulatory environment which adapts to new technology and a changing environment.

Through promoting the profile of our members and volunteers and focusing on key issues within our Societal Challenges and the needs of the profession, we can have a greater impact as a leading evidence-based voice of engineering and technology. Via this theme we will explore how the IET is currently positioned as a facilitator in the innovation landscape and understand the work we need to do to understand where we can continue to make the most impact in the future.



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Education



2030 Ambition

We significantly increase the numbers of quality engineers and technicians entering the workforce.

The future health of the engineering profession is dependent upon young people being aware of, and interested in, STEM topics. That interest needs to be maintained throughout their education to the point where they can choose to advance their own STEM knowledge through further and higher education.

In order to fully support the engineering profession, the IET must contribute to ensuring that there are a sufficient number of engineers and technicians achieving quality learning outcomes and pursuing occupations within engineering.



Engineering Open House Day 2022
at IET London: Savoy Place.



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Societal Challenges

The IET strongly advocates that engineering and technology provide solutions to some of the most pressing challenges facing humanity.

Therefore, alongside our themes, we work to highlight these challenges and draw together audiences beyond our traditional stakeholder groups in order to create and implement relevant, society-wide solutions.

The IET's Societal Challenges are:

Sustainability and Climate Change



Supporting engineering innovation and adoption of technologies that will help society reach net zero.

Digital Futures



Supporting practitioners in the deployment of emerging technologies and increasing societal confidence in their use.

This cause-based approach gives us more scope to exemplify and strengthen the IET's reputation and credibility to be a trusted authority on these topics. This concept also helps us to demonstrate that we are a relevant, passionate, and effective institution; not just for engineers and technicians but also for engaged audiences across the global community.

Via addressing these two societal challenges, we believe that the IET will be able to have a wider impact and make positive change in areas like, for example, Healthy Lives, People Centric Infrastructure and Sustainability in Manufacturing.

The IET has a goal of achieving net zero across our operations by 2030.

In order to help us reach this goal, we worked with UK environmental accreditation scheme Investors in the Environment (iE) during 2022 to build on the bronze accreditation we received from them in 2021.

- Our 2030 strategy has put sustainability and climate change as one of the societal challenges from which we've developed a UK Environmental Sustainability Policy.
- Significant refurbishments have improved the building fabric and system operation to make our UK buildings more efficient with Futures Place achieving BREEAM Excellent status.
- Our UK venues have achieved Eco Award Platinum, with the aim of achieving the Green Tourism Meetings Award. Data management and use of metering allows the venues to provide more accurate carbon data for any event operated within its spaces.
- We have introduced a waste management matrix for each site that clearly sets in place the policies required to ensure all waste is managed according to the waste hierarchy, with a view to minimise unnecessary and general waste.

Following these actions, we were awarded Silver Accreditation by Investors in the Environment.



Our Operational Activity

The main activities undertaken by the charity to deliver against its strategy, and which form the basis of reporting are as follows:

Knowledge-sharing activities

to gather and distribute scholarly and professional content through a variety of physical and online channels to a global audience, drawing on the unique strengths of our membership and communities.

Membership and Professional Development activities

which focus on the career-long professional development and professional registration of individuals.

Education, Policy and Awareness activities

which seek to engage young people and the wider public with the roles played by engineering, technology and science in enhancing people's lives, as well as informing Government policy formulation.

Our activities are overseen by three volunteer-led Boards responsible for Knowledge Services and Solutions, Volunteer Engagement and Membership and Professional Development. These Boards, which advise the Charity's Board of Trustees, meet regularly throughout the year and reflect the collaboration of IET staff and volunteers. We also control a number of subsidiaries which enable our international operations and the trading activities which fall outside of our primary purpose.

The IET derives a suite of key performance indicators from our Strategic Framework. These metrics are reported on under the relevant areas of operational activity within this document.

Work will start in 2023 to bring our strategic and operational metrics in line with our Strategy 2030 goals.



We held a parliamentary reception in December 2022 – hosted by IET Fellow and engineering advocate, Chi Onwurah MP.

Local children shared their experience with STEM enrichment activities, and speeches were given by IET Past President – Professor Danielle George MBE, IET President – Professor Bob Cryan CBE, and Tony Ryan – Chief Executive Officer, Design and Technology Association.

Volunteering

Our volunteers are the powerhouse behind the IET – ambassadors to deliver our vision and mission around the world.



Our volunteering roles include:

- Mentoring the next generation of Engineers, Technicians and Technology Professionals.
- Working within the Governance of the Institution.
- School and University Engagement.
- Advising the Institution on policy and responses to UK Government.
- The Peer Review of content for the IET's Journal portfolio.
- The assessment of Apprenticeships and the accreditation of professional registration schemes.
- Undertaking Professional Registration interviews.
- The review of Standards documentation.
- Supporting the Continuing Professional Development of IET members.



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In November 2022, the IET welcomed over 100 young professional volunteers and members from all over the world to London for the biggest ever Young Professionals Summit.

With over 40 different volunteering roles and types of engagement across the work that we deliver, the sheer breadth of skills, experience and knowledge that our volunteers provide enables the Institution to pursue and achieve a wide range of goals and help our members to adapt to and stay ahead of the dynamic world of engineering and technology.



Our Volunteering Vision – focusing on our volunteering community

Following a wide-ranging consultation exercise which spanned our entire volunteer base, 2022 saw the launch of our new **Volunteering Vision**. This new approach ensures that those giving up their time for the IET get the best volunteering experience possible, are backed by dedicated support from IET staff and have access to the toolkits they need, to get the most out of giving back.

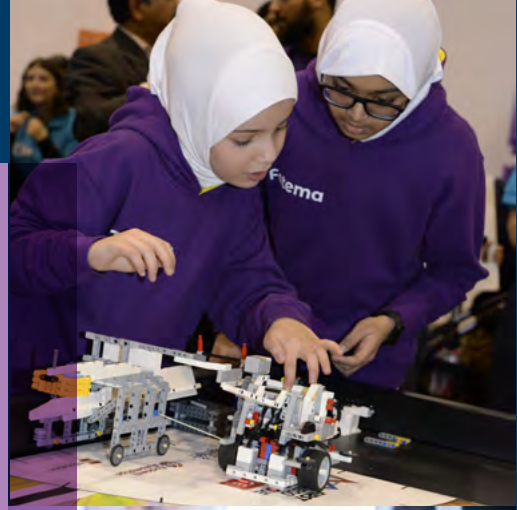
2018 Young Woman Engineer of the year winner and Sir Henry Royce Medal 2018 recipient, Sophie Harker MMath CEng MRAeS MIET.

IET Volunteering creates positive impact

Volunteering with the IET can be a life-changing experience and an opportunity for the engineering and technology community to come together and make a positive impact. If you can help us achieve our mission, please contact volunteer@theiet.org regardless of your career stage or background.

FIRST® LEGO® League

allows young people to experience engineering in action. As well as bringing excitement to STEM subjects, students get hands-on experience with robotics and designing innovative solutions to real-world problems. Developing computer programming, teamwork, problem-solving, and communications skills has never been so much fun and gives students an insight into the creative and innovative careers that engineering presents.



FIRST® LEGO® League Challenge and Discovery Division participants.

The winning team of the 2021/2022 season – dubbed 'the Combat Wombats' – was one of two teams from Freshford Church School in Bath, UK that made it to the National Final. The Combat Wombats team was comprised of 10 boys and girls aged 9-10 years old.



Fundraising and Development

The IET Futures Fund has the goal of supporting the next generation of engineers by raising charitable donations to increase the reach and impact of our inspirational programmes for children and those taking their first steps towards a career in engineering and technology.

Our **STEM education programmes, Faraday Challenge Days and FIRST® LEGO® League**, returned to full in-person delivery following the disruption caused by the COVID-19 pandemic. Whilst we had adapted the programmes to be delivered virtually where appropriate, our student and teacher communities stressed the benefits of being able to work together again.

Having delivered a flexible and responsive service throughout the pandemic, we were, thanks to the support of donors who were willing to vary the terms of our funding, able to return to near pre-pandemic levels of delivery of programmes in 2022.

Our **Diamond Jubilee Scholarships and Engineering Horizons Bursaries** have continued to offer vital support to students, apprentices and degree apprentices at a time of great uncertainty and economic hardship. Essential work experience opportunities through summer and year-in-industry placements have been valued by those undergraduates who have been offered these by our donor companies.



The financial support given by our awards gave many the ability to not only take up internships they may not have otherwise chosen, but also the option to spend time making lengthy applications. This is underlined by the fact that **66% of Engineering Horizons Bursary** recipients in 2021 were from households with less than £25,000 annual income.

'Paying it forward' is at the heart of our support for students and apprentices and once again they have demonstrated their willingness to volunteer their time at schools, STEM events, tutoring, university open days and in **IET On Campus** networks.

Our annual graduate survey showed that 78% of those who graduated or completed their apprenticeship in 2022 were working or studying further in engineering and technology within a few months. This is up from 72% in 2021.

The long-term impact of these awards is directly evidenced by the 90% of those who completed their studies between 2018 and 2021 who reported working or studying in engineering and technology in 2022.

The ethos of volunteering has continued for many who volunteer through their company schemes or as members of the IET on committees such as the **Young Professionals**.



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Following a review of both **Diamond Jubilee Scholarships** and **Engineering Horizons Bursaries** in 2021, both schemes have been closed and the **Future Talent Awards** introduced. There are two scholarship programmes within the new scheme.

From October 2022 we have matched new donations to **Faraday Challenge Days**, **FIRST® LEGO® League** programmes and **Launch Scholarships**, in celebration of Professor Bob Cryan's year as IET President.

As Chair of the IET Futures Fund from 2019 to 2022, Professor Cryan is keen to grow these programmes and ensure that as many children as possible can experience engineering and have the support of the IET through their studies – as he did.

We are also grateful that individual members of the IET support our initiatives with personal donations to the **Futures Fund**, which are then distributed to the four programmes. Individuals can choose to "Take Your Place" where their larger donation is recognised with a block or seat plaque at IET London: Savoy Place. We are pleased to honour those who kindly leave a legacy to the IET with an engraved block, with the permission of family or executors.

Donations from companies, charitable trusts and foundations reflect our shared goals and their confidence that we can help them to achieve their commitments to society, diversity, inclusion and social mobility, including their environmental, social and governance policies.

Presidents Partnership

Commodore Barry Brooks BSc(Eng) FCGI CEng FIET
Professor Bob Cryan CBE DL FEng MBA DSc CEng FIET
Mr Chris Earnshaw OBE FEng BSc CEng FIET
Sir Alan Rudge CBE KB PhD FEng FRS CEng HonFIET
Sir Robin Saxby FEng FRS BEng CEng HonFIET
Mr Keith Thrower OBE FEng CEng FIET

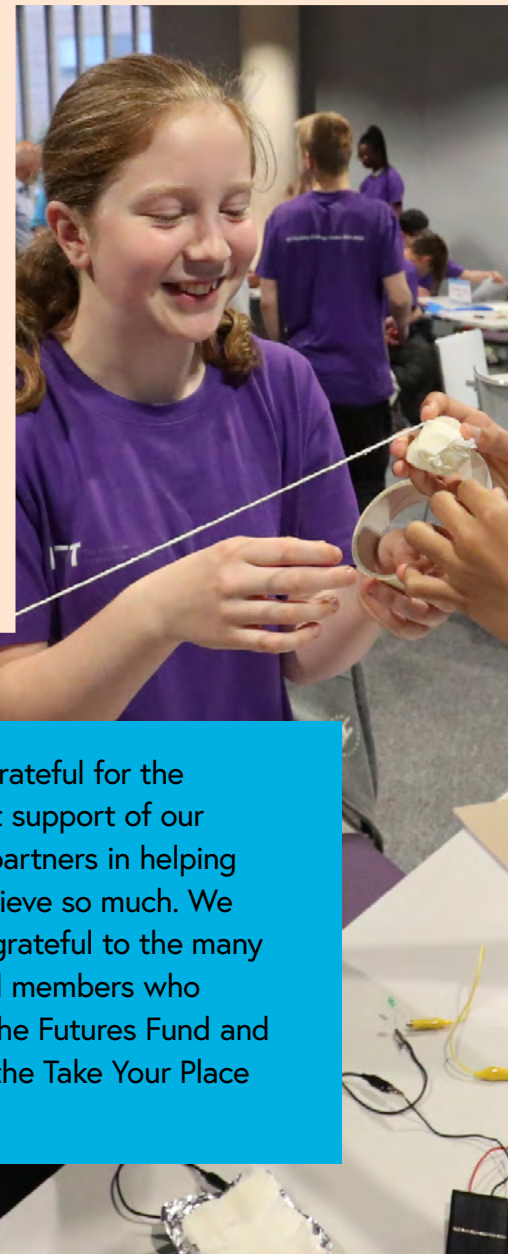
Legacies

Mr Christopher Lester MIET
W Messer Will Trust



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We are grateful for the steadfast support of our funding partners in helping us to achieve so much. We are also grateful to the many individual members who gave to the Futures Fund and through the Take Your Place option.



We would like to thank our donors whose funding was utilised in 2022

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|---|---|---|
| <ul style="list-style-type: none"> - Affinity Water - Altran UK / Capgemini - Arm - Bechtel - Belling Charitable Settlement - BT - Sir George Buckley HonFIET - The Bugatti Trust - Chemring Group PLC - Costain - Cundall - David Family Foundation - Digital Xtra Fund - Edgar Lee Foundation - Eland Cables - The Engineers Trust - ERA Foundation - Exilarch's Foundation - Ruth and Nigel Fine FIET - FIRST - Ford Motor Company Fund - GKN Automotive Innovation Centre | <ul style="list-style-type: none"> - Institute of Healthcare Engineering and Estates Management (IHEEM) - The Ironmongers' Company - Jack Petchey Foundation - Lloyds Register Foundation - MacRobert Trust - Manly Trust - Motorola Solutions Foundation - Kathleen and Graham Tubbs FIET - National Grid - Network Rail - Pamela and David Rollin Foundation - Peter Jost Foundation - Plextek - R C Snelling Charitable Trust - Reece Foundation - Rees Jeffrey's Road Fund - Royal Commission for the Exhibition of 1851 | <ul style="list-style-type: none"> - Sage Foundation - Science Foundation Ireland - Siemens - Society of Motor Manufacturers and Traders Limited (SMMT) - Spirax-Sarco - Stanley Black & Decker - Synoptix - Thales Holdings UK - UKRI Trustworthy Autonomous Systems (TAS) Hub - Wates Family Enterprise Trust - Whirlpool UK Appliances Limited - Mrs Weiss and Professor Bernard Weiss HonFIET |
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Fundraising statement

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.

The IET invests in the future of our sector by ensuring that our programmes for children, undergraduates and apprentices are offered each year. Alongside our investment we seek voluntary donations to enable us to increase the reach and impact of these programmes.

The IET's Development team works mainly with companies and charitable trusts and foundations which share our interests and would like to support one or more of the individual programmes. We are also fortunate to have the support of many individuals who can choose to fund an individual programme or all, through a donation to the Futures Fund.

Most personal donations are generated from direct mailing or email communications to our members. Individuals give mainly through an online platform (Enthuse) which is registered with the Fundraising Regulator. The IET uses Enthuse, which enables us to receive and process donations and gift aid efficiently.

Donations can also be received by SMS messaging through a service provided by Instagiv.

We do not use professional fundraisers or commercial participators to fundraise on our behalf.

The Institution of Engineering and Technology is registered with the Fundraising Regulator and complies with all the relevant standards set out in the Code of Fundraising Practice. This includes ensuring staff exhibit behaviour of a high standard when it comes to informing donors and treating people fairly, especially those who are vulnerable as defined by the code.

- We carry out due diligence on donations to our programmes.
- We have received no complaints in relation to fundraising activities.

Our Development Team reports to a Deputy President (or equivalent), and the Chief Executive and Secretary, who, along with the Institution's Executive team, are directly responsible to the Board of Trustees. An Impact Report is submitted to the Board of Trustees each year and made publicly available to highlight the breadth and depth of the work.

Knowledge Sharing

Delivering world-class knowledge products and services.

Engineers and technology professionals work in a variety of environments and require information and channels for discussion in a variety of formats, on demand.

In line with our mission, vision and strategy, we:

- **publish** a wide range of Journals and Books
- **facilitate** the application of engineering and technology research to create sustainable impacts
- **deliver insight** and intelligence to enable effective and innovative research
- **provide inspiring** and up to date knowledge and learning
- **publish trusted standards** to deliver safe and reliable solutions.



Our knowledge solutions include leading academic journals, award-winning analytics tools, dynamic research communities, technical call-for-paper events, and online technical networks.

We are also the co-publishers of the Requirements for Electrical Installations: IET Wiring Regulations (BS 7671), which is currently in its 18th Edition.



Journals, and Books



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The IET's journal, book and ebook portfolio provides an indispensable resource for the engineering and technology community.

Journals

The IET's **43 Journals** span all areas of engineering and technology – covering in depth the disciplines of electrical, electronics, computing, control, biomedical and communication technologies. Over the course of the year we published more than **3,600 papers**.

Our Journals are now fully gold Open Access, allowing researchers and practitioners around the world immediate and free access to all current content. In addition, all articles published via our Journals since 2013 are freely available on the IET's Research Hub.

Books

During 2022, we published **65 new books** spanning a wide range of subjects, including:

Nanogrids and Picogrids and their Integration with Electric Vehicles,
by Surajit Chattopadhyay

Sustainable High-Rise Buildings: Design, technology, and innovation,
Edited by Kheir Al-Kodmany, Peng Du,
Mir M Ali.



Lectures, Conferences and Seminars

Networking, insight and debate covering the engineering and technology challenges that matter.

As global events began to emerge from beneath the shadow of the pandemic, the IET delivered a full programme of events across a variety of formats. Through our portfolio of **more than 50 events** we provided our delegates with vital information, innovative networking opportunities and career progression tools: Live, virtually and on-demand. Highlights of the year included content covering:

- New trends and developments in bistatic/ multi-static and cognitive radar.
- An exploration of the latest ways in which Power Electronics, Machines and Drives are revolutionising the way we live and work.
- Cyber resilience, compliance, and a new era of threats.



Engineers – holding the keys to the future of humanity

The IET President's Address 2022

The IET's 2022/2023 President Professor Bob Cryan OBE delivered his address in October, which featured details regarding his personal journey and some of the people, institutions and schemes that inspired him. The event, which took place at the IET's Headquarters in Savoy Place, London, featured input from 2021/2022 IET President Sir Julian Young KBE, Dragon's Den star Peter Jones CBE, Young Woman Engineer of the Year Dr Ciara McGrath and actor Sir Patrick Stewart OBE.



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Future Tech Congress

In November, IET India ran its first in-person event since the start of the pandemic. Taking place in Bengaluru, the Future Tech Congress brought together policy makers, academia, industry experts, business leaders and technology start-ups. The focus of the Congress was futuristic technologies that will help solve real-world problems and meet ever-changing customer needs, discussions spanned the entire technology lifecycle.

Delegates discussed challenges including:

- The Future of Manufacturing.
- Battery Management.
- Web3.0.
- Fintech.

700 attendees
70+ speakers
23 partners
and supporting
associations
15 exhibitors.



IET EngX[®]

Participate in our community

EngX[®] is the IET's one-stop shop for peer-to-peer professional information and networking. Content is tailored for users and brings together job vacancies, industry and academic news alongside discussion fora for practical, professional advice and answers.

Across the course of the year, we were pleased to:

- host over 13 thousand forum posts (averaging 9 replies per post)
- publish more than 300 blog posts and comments
- welcome more than 3,000 new registered users.



What we said we would do and what we achieved

Strategic KPI

Average Journal Impact Factor

KPI 2022 target **2.340**

KPI 2022 outcome **2.156**

A Journal Impact Factor is often used to measure the importance of a Journal by calculating the number of times its articles are cited by other papers.

It is calculated over a two-year period and involves dividing the number of times articles within the Journal were cited, by the number of articles that are citable. By taking an average, we aim to provide a unified score across our journal portfolio.

Our average Journal Impact Factor for 2022 was just below target. Before transitioning to a fully Open Access journal portfolio, a number of papers were published late in 2020 under our subscription model. These papers were published too late to be cited in time for the 2022 Impact Factor Scores.



Membership and Professional Development



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Providing a professional home for life for engineers and technicians.

The IET is a development hub and source of authoritative knowledge for more than **154,000 engineering** and technology professionals across **148 countries**. Our services help our members fulfil their career and personal potential regardless of career stage or field of expertise.



Safeguarding professional standards

Professional registration provides engineers and technicians with a recognised mark of quality. Through the various grades of registration, our members can demonstrate to employers and the wider public that they have the technical skills, leadership qualities and commitment to excellence that they need to excel in their jobs.

Over the course of the last quarter of a century, the IET has consistently held the largest register of professionally qualified engineers in Europe.

Partnerships

In line with our mission and vision, the IET works with partners in Industry to help them ensure that their employees continue their professional development journeys and consistently demonstrate the highest levels of competence and expertise.



IET Corporate Partners

With over 150 Corporate Partners, we provide some of the largest global organisations with the professional support and qualifications they need to excel. We offer a range of services to our Partners, including:

- Training solutions covering a diverse range of Engineering and Technology specialisms.
- Networking opportunities to foster the exchange of best practice and knowledge between industry, academia and government.
- Professional Development Advisory services.

We were pleased to announce that we welcomed the following organisations to our network in 2022.

- | | | |
|---|--|--|
| <ul style="list-style-type: none">– AB Ports– Abbott Diabetes Care– Alpine Racing– Amaro– Arm– Avara Foods– Basrah Gas Company (Iraq)– Biffa– Boots UK– BU-UK– Camfil– Caterpillar– Centrica– China Unicom– Chubb– Cohesive– CSL Seqirus– Cubic Transportation Systems– Diamond Light Source– Dyson– Eaton Mission Systems (Cobham) | <ul style="list-style-type: none">– Element Materials Technology– Enertis Applus+– Equans– Expleo– Finning– Fourway Communication– GE Aviation– Greggs– Group Lotus– Harbour Energy– Horiba Mira– HS2– ISS UK Ltd– Jones Lang LaSalle (JLL)– KBR– Kirby Group Engineering– L3Harris TRL– L3Harris ASV– L3Harris CAS– L3Harris Mapps– Lenzing– London Stock Exchange | <ul style="list-style-type: none">– MAG Airports Group– Meggitt– Molson Coors– Morgan Sindall– National Grid ESO– Northern Powergrid– Oman Methanol Company (Oman)– Ovivo– Ovo Energy– RES Group– RPS Group– Severn Trent Water– Solarwatt GmbH– Sweco– TAQA (UAE and Iraq)– TP Group– Welsh Water– Williams Advanced Engineering |
|---|--|--|

IET Enterprise Partners

Engineers find their skills in demand in organisations of all sizes. That's why our Enterprise Partner scheme is tailored to provide support to smaller, UK based organisations, who may face very different skill and engagement challenges to our larger, Corporate Partners. We provide services including:

- Dedicated IET Account management to support the upskilling of employees.
- Networking opportunities and access to Graduate talent, through our Academic Partner network.
- Discounts across a wide range of IET products and services.

We would like to thank our new Enterprise Partners, who in 2022 included:

- Advanced Sensors
- AU2
- Banham Academy
- BGIS
- Cambridge Design Partnership
- Carnaud MetalBox Engineering
- Control Technologies UK Ltd
- The Francis Crick Institute
- Dron & Dickson
- ETA Green Power
- Fairley Gunn Group Ltd
- HRS Solutions
- Indra Renewable Technologies Ltd
- Kaplan
- Laser Wire Solutions
- Navitas Engineering
- Peak Technologies
- The Newcastle-upon-Tyne NHS Trust
- Viper Innovations



Awards and Scholarships

IET Achievement Awards



Professor Tom Crick MBE CEng FLSW FAcSS FIET is the winner of an Achievement Medal in STEM Education and Policy.

Recognising and promoting excellence

Our awards programme includes awards for individual excellence, research and innovation, scholarships, travel awards, prizes and competitions within the engineering and technology sector. We are pleased to draw attention to all of our winners in 2022; for a full list of our prestigious winners, and to find out more about them and their work, please visit the IET website via the QR code.

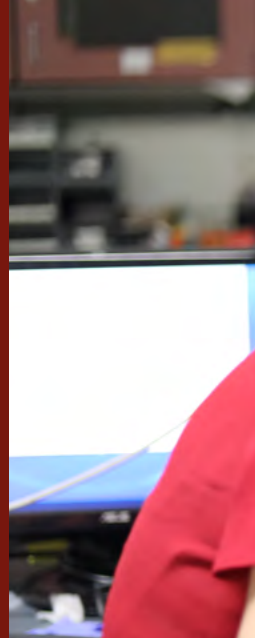


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A F Harvey Engineering Research Prize



This is our most valuable prize fund, which is awarded to phenomenal researchers working in the fields of radar and microwave, lasers and optoelectronics, or medical engineering. The A F Harvey Engineering Research Prize is awarded in remembrance of Welsh Engineer Dr Arthur Frank Harvey. For further information on the life and career of Dr Harvey, please visit the IETs website.



Read more

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The A F Harvey Engineering Research Prize 2022 Prize

Practical high-brightness far-ultraviolet light sources.

The 2022 recipient of the prize is John C Travers, Professor of Physics at Heriot-Watt University, Edinburgh and Director of the Laboratory of Ultrafast Physics and Optics.

Laser light is a precision tool for modern science and engineering and can be focused to extremely small areas of high intensity, offering ultimate spatial resolution when both measuring and altering matter. Lasers can also produce light pulses with a duration short enough to stroboscopically capture the fastest processes occurring in nature, enabling us to better understand their dynamics.

Together with his research group, Professor Travers has pioneered a new technique to generate pulses of far-ultraviolet light, based on the use of soliton dynamics in gas-filled waveguides, which outperforms all previous techniques.

In March 2023, Professor Travers will deliver a virtual lecture for the IET, which will explain his technique and the results achieved so far. He will also provide an outline regarding his plans to scale it both upwards, to achieve extreme pulses of light to prove new fundamental physics, and downwards, to develop photonic-chip-sized devices that can enable new applications essential to the health and wellbeing of society.



Professor Mona Jarrahi, winner of the 2021 A F Harvey Engineering Research Prize.

The winner of the 2021 A F Harvey Engineering Research Prize was Professor Mona Jarrahi, a Professor of Electrical Engineering and the Director of Terahertz Electronics Laboratory at the University of California in Los Angeles.

The Award was made to her for her significant contributions to the development of ultra-fast electronic and optoelectronic devices and integrated systems for microwave, millimetre wave and terahertz systems, using novel materials, nano and quantum structure, as well as innovative plasmonic and optical concepts.

Professor Jarrahi presented her research to the IET on 17 March 2022, at a lecture hosted by the IET, which was followed by a Q&A session moderated by IET Past President Sir Julian Young. Both the lecture and question and answer session is available to online viewers via iet.tv.



Read more

by using your mobile camera to activate the QR code



What we said we would do and what we achieved

Number of non-student and apprentice members below the age of 40 (excluding Students, apprentices and those in India and China).

KPI 2022 target **35,857**

KPI 2022 outcome **36,466**

As part of our mission to Engineer a Better World, we want to ensure that Engineering and Technology talent is encouraged and to this end, we aim to encourage more younger individuals to join the IET and make a positive contribution to their technical communities and society in general.

We were able to closely match our target in this area, thanks to the hard work of our Volunteers, Partners and staff.

Registered new members

KPI 2022 target **2,650**

KPI 2022 outcome **2,053**

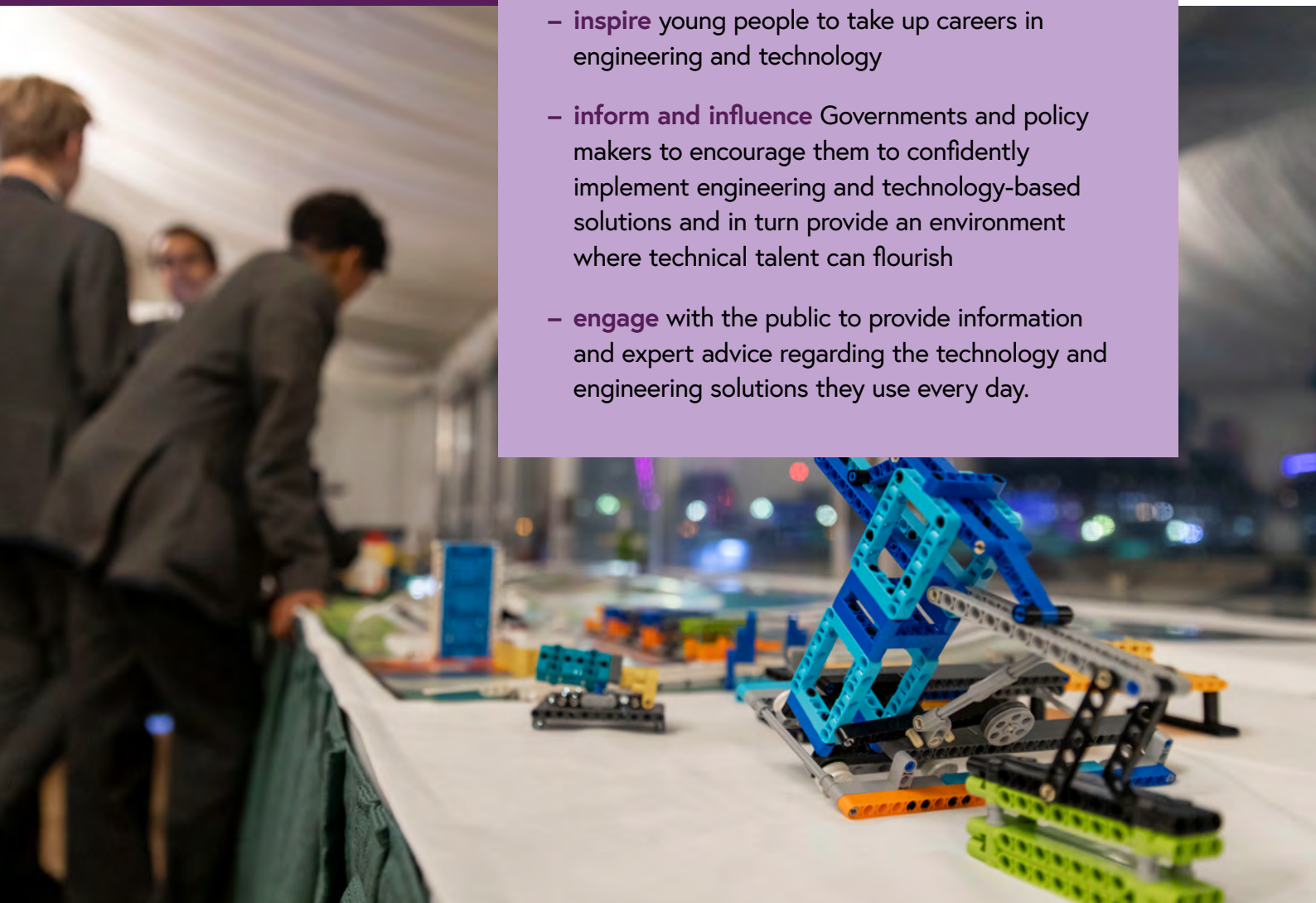
We were unable to meet challenging targets for this KPI due to a number of factors, including the war in Ukraine, which limited applications from our UK Armed Forces partners.

Education, Policy and Awareness

The IET's core purpose is to promote the general advancement of science, engineering, and technology.

In order to accomplish this goal, we work hard to:

- **inspire** young people to take up careers in engineering and technology
- **inform and influence** Governments and policy makers to encourage them to confidently implement engineering and technology-based solutions and in turn provide an environment where technical talent can flourish
- **engage** with the public to provide information and expert advice regarding the technology and engineering solutions they use every day.



Educating and inspiring future talent

Throughout the year we produced and distributed several major initiatives, including:

FIRST® LEGO®

League, which is a hands-on STEM learning activity delivered alongside our partners at **FIRST®** and **LEGO®**. Through our work on this initiative across the 2021 / 2022 academic year, we engaged with almost **40,000 children**.



Faraday Challenge

Days, which is an annual competition of STEM activity days which features a real-world challenge for pupils aged 12-13 years to engage with as part of a team, or via a Virtual Faraday Challenge, which are aimed at 7-15-year-olds. We engaged with almost **6,000 students**.



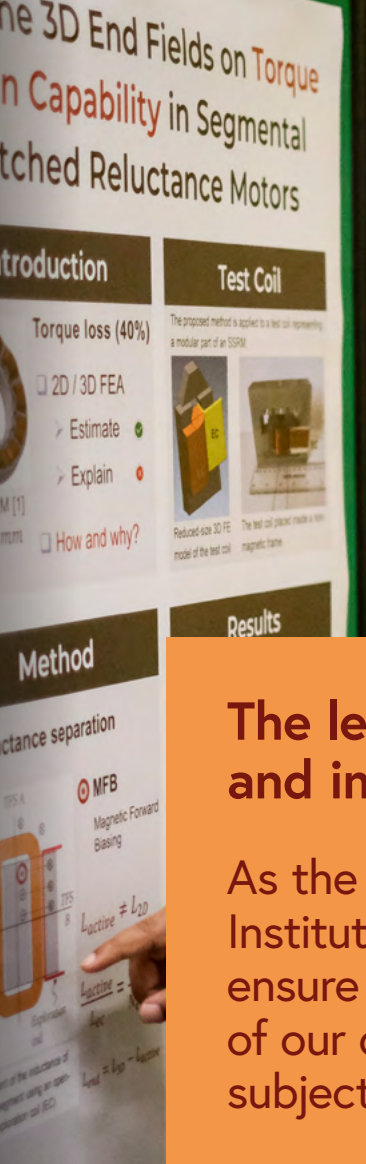
Promoting engineers, engineering and technology

Our Communications activities in 2022 covered a wide scope and provided engaging content for all those interested in the Engineering and Technology fields, regardless of age or experience. Some of our highlights during the year include:

- The launch of the IET UAE Skills Survey in Dubai which included recommendations as to how employers could ensure that engineers and technicians have a broad mix of skills and are 'workplace ready' - along with continuing to champion women in the engineering workforce.
- A national campaign to raise awareness of the Institution's 'Safeguarding the Metaverse' report, which received significant media coverage. The report called for the UK Government to ensure its proposed Online Safety Bill adequately

covered safety risks associated with emerging technologies with a focus on those in immersive environments. We worked with report co-author Catherine Allen alongside child safety advocate and IET Honorary Fellow Carol Vorderman as key spokespeople and achieved over 60 pieces of significant national media coverage.

- A proactive media campaign which focused on those taking exams in the UK education system and their subsequent subject choices and careers in STEM. The IET's Head of Education spoke with media outlets to promote STEM and the IET as a champion of engineering and technology.
- The IET's 2021 Engineering a Better World campaign which featured IET Honorary Fellow and European Space Agency Astronaut - Major Tim Peake, and the Science Museum in London. The high profile campaign successfully highlighted the importance of fun and engaging STEM initiatives in nurturing young talent.



The leading voice of independent and impartial engineering expertise

As the largest Professional Engineering Institution in Europe, we have a duty to ensure that we act as a representative of our diverse range of members, on the subjects that matter to them.

Successful completion of this mission means drawing together the expertise and insight of our global membership and volunteer communities. Our commitment to the goals of our 2030 strategy means that;

- by 2030, the IET will be widely regarded as the leading UK advocacy organisation for all areas relating to engineering and technology (as evidenced by annual external polling)
- we will continue to build and improve the profile of the IET, and engineering generally, among target stakeholders (as evidenced by annual external polling)

- we must deliver successful, engaging campaigns that promote the entire range of IET activities (as evidenced by an increase in the strategic KPI)
- to develop and implement a Public Affairs function across the IET's global territories, building on areas of strength and distinctiveness (as evidenced by internal and external information gathering).



To this end we continue to work closely with our volunteer and member communities and were able to represent and highlight a wide range of challenges across a number of engineering and technology themes, including:

- Protection of the UK's National Critical Infrastructure.
- Delivering a UK Science and Technology Strategy.
- The role of hydrogen in a net zero energy system.
- UK Renewables.
- Safeguarding the metaverse.
- The challenges of offshore wind networks.
- Artificial Intelligence in functional safety systems.
- Engineering a more resilient world.
- Artificial Intelligence and ageing.

What we said we would do and what we achieved

Annual Number of Young People, Parents and Teachers Engaged with an IET Education Resource.

KPI 2022 target **133,600**

KPI 2022 outcome **176,633**

Our goals in this area include numbers of children engaged with via our *FIRST*® *LEGO*® League and Faraday Challenge Days, alongside the distribution of our on and offline educational resources, which are aimed at both students and their families.

We were able to significantly overachieve against target with regards to the KPI, following an unprecedented number of downloads for our resources celebrating HM the Queen's Platinum Jubilee during February 2022.

Government Engagement with specific Engineering topics that the IET is targeting for adoption.

KPI 2022 target **8,000**

KPI 2022 outcome **8,640**

We use a bespoke metric to measure our engagement with policy makers and industry. This metric assigns scores for the various types of activity that the Institution undertakes in order to promote engineering solutions to our various stakeholder groups, which in 2022 included:

- Responding to Government requests for information.
- The development of policy briefings.
- Engaging with stakeholders at webinars and live events.

We were able to closely match our target and we continue to ramp up engagement in this area, which will be reflected in future target numbers.

Financial Review

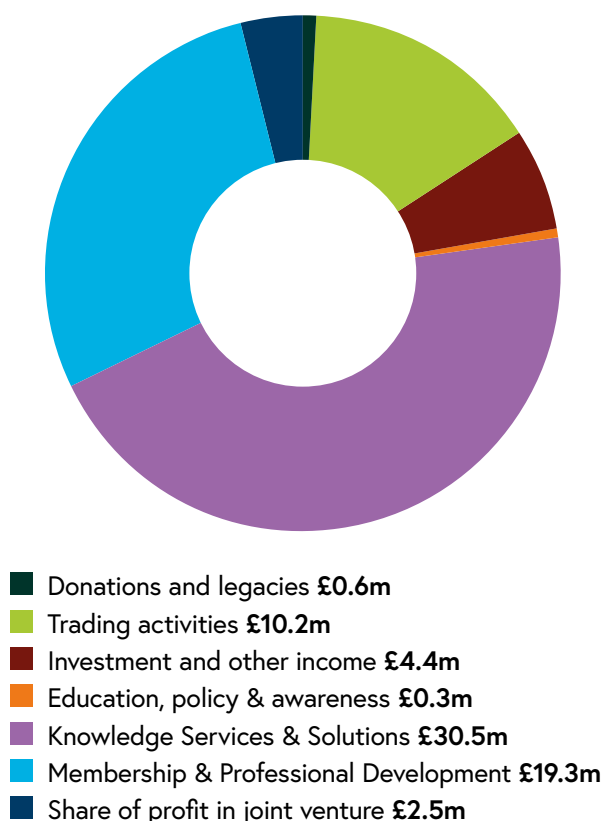
The IET undertakes a diverse range of activities in pursuit of its charitable objects. Funding is principally achieved through a combination of fee-charging and primary purpose trading, together with contributions from the IET's trading subsidiaries. This allows the IET to support a range of net-cost activities including education and policy work and the provision of significant digital resources to the broader engineering community, often without charge.

To achieve its objectives the IET needs to provide its services over the long-term and therefore aims to achieve a sustainable balance of income-generating and net-cost activities, whilst at the same time ensuring that an appropriate level of Reserves is maintained. Given the IET's exposure to highly competitive and relatively mature publishing markets, the Institution continues to actively develop its products and services while managing the portfolio of activities to maximise its charitable impact in a financially sustainable way.

Financial outcomes in 2022

Group income generated in 2022 amounted to £67.6m, split as shown below (2021: £58.5m). Group expenditure in 2022 was £68.8m (2021: £64.5m). Consolidated net expenditure including net investment losses for the year was £15.9m (2021: net income of £4.7m) before remeasurement of the defined benefit pension scheme. The deficit on unrestricted activities was £12.9m for the year (2021: Surplus of £3.0m). The activities undertaken in the year were carried out within the framework of budgetary control approved by the Trustees and all the income of the charity alone has been deployed on charitable activities or retained in the charity's reserves (see Note 14).

Fig.1: 2022 Income Analysis.

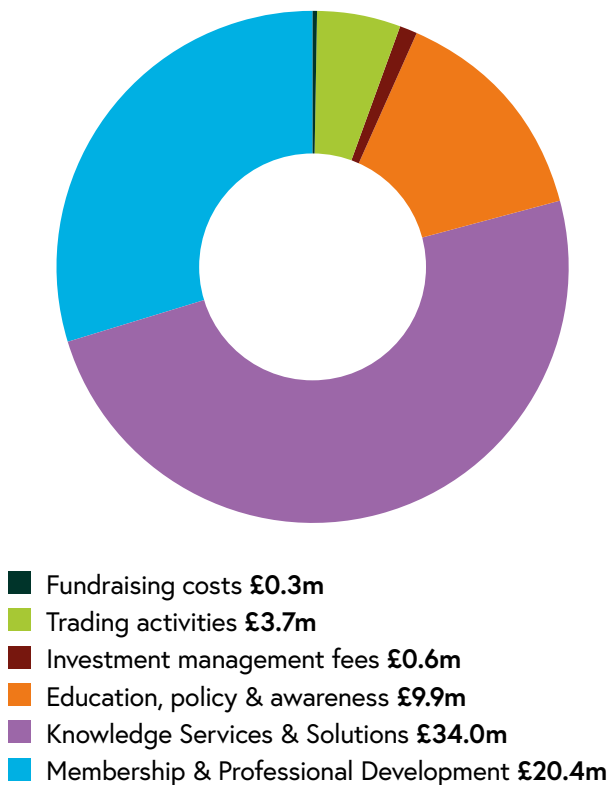


Membership and Professional Development income in 2022 was £0.2m higher than in 2021. Strong growth in income in End Point Assessment helped to offset a slight reduction in Membership subscription income.

Within Knowledge Services and Solutions income increased by 4%. The end of the first quarter saw the successful launch of the 18th Edition, second amendment of the IET Wiring Regulations (BS 7671) and associated guidance notes. The expected high sales in the year of launch of the new amendment helped to offset a reduction in income from the Wiley relationship, where a one-off benefit was received in 2021 on the transition of the business to an open access model. Trading Income was £6.3m higher than in 2021 as business from hire of the IET's venues recovered from the COVID pandemic from March 2022 onwards.

Income was received from Joint Ventures for the first time since 2019 as the International Broadcasting Convention (IBC) returned to the RAI in Amsterdam in September. The IET's share of the profit was £2.5m.

Fig.2: 2022 Expenditure Analysis.



Expenditure on Charitable Activities in 2022 increased by 3.1% compared to 2021. Operational Spend was higher than in the prior year as activity began to return to a pre-pandemic level in most areas. There was higher expenditure on servicing the IET's numerous global communities, as in-person meetings became possible again. Costs of sales of the Wiring Regulations were higher, linked to the increase in income. There was a higher depreciation charge as a result of the completion of the refurbishment of Futures Place. This was partly offset by reduced spend on strategic projects caused by the Inspec programme of works moving to business as usual, delays to the Know-Your-Customer programme and a non-repeat of the 150th anniversary activities from 2021. Expenditure on trading activities was higher due to the increased level of income in the venue hire business.

Trading activities

The payments due to the IET by its UK trading subsidiaries undertaking activity to raise funds for its charitable purposes are £4,475,000 (2021: £530,000).

IET Services Limited undertakes professional magazine production and on-line recruitment advertising activities, as well as operating the rental of surplus IET accommodation and undertaking some of the group's event management.

IET owns 100% of the shares in IEE Conventions Limited (IEECL), which in turn has a 34% share in the profits of International Broadcasting Convention Partnership (IBC) and is accounted in IEECL's accounts as a joint venture; 34% of IBC's income and related expenditure are included in IEECL's accounts (as per Note 2). IBC didn't take place in 2020 and 2021 due to the COVID-19 pandemic. IBC2022 took place in Amsterdam in September 2022. IEECL's result for the year was a profit of £2,478,000 (2021: net loss of £2,000).

Balance sheet and cash flow

The IET's Group reserves and net assets, including Restricted Funds, decreased in the year by £19.3m (2021: increased by £9.9m). The more significant movements during the year were as follows:

- There were realised and unrealised losses in non-property investments in the year of £12.7m (2021: gains of £11.5m).
- The Savoy Hill House investment property was valued at £17.2m at 31 December 2022 (31 December 2021: £19.2m).
- Adjustment has been made in accordance with FRS 102 to recognise movements on the assets and liabilities of the IET's defined benefit pension scheme. There were remeasurement losses of £3.5m during the year (2021: remeasurement gains of £5.2m).

Additional contributions in line with the Recovery Plan totalling £1.2m were made to the defined benefit pension scheme during the year (2021: £1.2m).

Reserves policy

The IET reviews its Reserves Policy regularly and in particular it is reviewed annually by the Finance and Investment Committee. The policy is structured such that the IET can maintain its Reserves at a sufficient level to ensure long term financial sustainability, while at the same time providing protection against the risks that have been identified and included within the Strategic Risk Register.

Total charity funds at the end of the reporting period were £175.7m (2021: £195.0m). Included in this total are restricted funds of £14.9m (2021: £17.9m), which represent amounts for restricted purposes specified by the donors and therefore not available for the general purposes of the charity.

Within the unrestricted funds the Trustees have earmarked designated funds for specific purposes. These include Fixed Assets reserves of £41.8m (2021: £41.2m) which could only be realised by disposal of the IET's operational buildings and further amounts of £11.3m (2021: £10.7m) which are reserved to ensure those buildings can be refurbished or replaced over the medium to long term.

Further designations have been established to ensure funds are available to support future project investments.

The balance of the Charity's General Funds at 31 December 2022 was £91.8m (2021: £103.1m). Under Charity Commission definitions these represent the charity's free reserves. In setting and monitoring its Reserves Policy and position, the Trustees are mindful of the key financial risks in connection with ensuring the continuity (and growth) of its charitable activities. As such, targets/monitoring parameters have been established in respect of key financial risks, including pension liabilities and volatility, operating and continuity risk and investment volatility. The overarching aim is to have a balance between achieving and maintaining a robust resilient financial position while using funds to pursue the IET's long term objectives and mission.

The operations contingency is set at six months' future average expenditure and is designed to ensure that the charity can continue to operate fully in the short term in the event of an extreme event or set of circumstances occurring.

The revaluation contingency is set at 10% of unrestricted non-property investments and would insulate the IET from significant adverse movements in external financial markets, including investment values and currency movements.

The pension deficit is calculated on both the technical deficit basis and the basis that the Scheme was fully invested in index-linked gilts to identify a target range for reserves as follows:

Fig. 3: Reserves coverage.

Charity only	2022 Lower range £m	2022 Upper range £m	2021 Lower range £m	2021 Upper range £m
Operations contingency	32.5	32.5	31.2	31.2
Revaluation contingency	9.5	9.5	10.7	10.7
Pensions deficit (gilts-funding basis)		8.6		17.9
Target range for reserves	42.0	50.6	41.9	59.8
Actual reserves	91.8	91.8	103.1	103.1
Reserves coverage	219%	181%	246%	172%

The Trustees remain mindful of the long-term nature of the pension scheme liabilities and that movements in the pension scheme liability will impact on the resources available for general application. The Trustees closed the IET scheme to future accrual to mitigate risk and continue to work closely with the scheme trustees to manage scheme-related risks.

In assessing Reserves that are above target range the Trustees have adopted a medium-long term perspective (up to 10 years) to target the use of surplus unrestricted funds. By taking this longer-term view, on-going adjustment can also be made to the level of reserve spending to moderate short-term volatility. At present levels this implies an average drawdown of Reserves of approximately £4m per annum for use in the IET's charitable activities.

In light of the IET's financial and risk environment the level of Reserves and the policy for utilising excess Reserves is considered to be appropriate.

Going concern

It is a requirement to consider going concern each year. In making this assessment no material uncertainties have been identified. Furthermore, consideration has been taken of the IET's robust reserves position, as noted in Figure 3 above, and the availability of significant amounts of liquid investment assets. As such, the IET Trustees consider the Institution to continue to be a going concern and the financial statements have been prepared on that basis.

Investment policy

The Trustees' general powers of investment derive from (and are restricted by) the Trustee Act 2000. These powers are not restricted by the IET's Royal Charter, which states under clause 4:

"4. For the purpose of attaining the aforesaid objects the IET shall, subject to this Our Charter and the Bye-laws, have powers to do any act or thing and to administer the affairs and deal with the assets of the IET in all respects without any restrictions whatsoever and, in particular, (but without limitation):
(d) to invest any monies of the IET, not immediately required for any of its objects, in such a manner as may from time to time be determined, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided;"

The Board of Trustees has delegated the responsibility for investment activities of the Institution to the Finance and Investment Committee and included in that Committee's terms of reference a requirement to ensure that the investments are managed in accordance with agreed policy and that this policy is clearly communicated in writing to the professional investment advisers engaged to undertake this activity.

The investment policy is reviewed annually by the Finance and Investment Committee and recommended to the Board of Trustees for approval.

The Finance and Investment Committee takes professional investment advice in developing the investment strategy and ensures that the investments of the IET held against the reserve funds and the trust funds are managed on behalf of the Board of Trustees in accordance with legislation and good practice.

All divestment transactions are approved by two authorised signatories prior to being transacted, unless such transactions have been delegated to a Fiduciary Manager. The investment signatory mandate is reviewed annually by the Finance and Investment Committee.

The IET's investment strategy, including strategic asset allocations and investment management approach is developed with our Investment Advisors (Mercer). The portfolio constitutes a significant proportion of the IET's total net assets and includes an investment property, Savoy Hill House, as well as a blend of non-property assets.

The IET's non-property investment portfolio comprises both Passive Investment Funds that track given investment indices and Actively Managed Funds which seek to out-perform an index or achieve a target return (net of fees) through the skill of the manager.

Investment risk is managed at an overall level by diversifying the investment portfolio between different asset classes and geographic markets together with maximum ranges for these allocations.

Liquidity risk is managed by periodic forecasts of the Institution's reserve and cashflow requirements to determine tolerance to illiquid asset classes.

The IET's overriding investment objective is to provide medium-long term real returns with appropriate management of risk. Where we hold permanent endowment funds there is the additional requirement to deliver greater sustainable income

over the long term. The IET revised its unrestricted investment strategy in 2019 to introduce greater diversification and seek higher overall returns without taking additional overall risk. This included the introduction of Multi-Asset Credit (MAC) and Emerging Market Debt (EMD) together with an allocation to Private Market Investment to take advantage of the 'illiquidity premium'.

The investment manager for MAC is Oak Hill Advisors and the investment manager for EMD and Private Markets is Mercer.

The IET makes use of a drawdown service to facilitate capital calls into Private Market Investments using a Passive Sustainable Global Equity Fund. Over and above these funds held for drawdown, any committed funds allocated to Private Markets are held in the Diversified Growth Fund, pending longer term investment calls.

Funds not yet committed to Private Markets (that would otherwise make up the balance of the 'up to 15%' strategic allocation) are held proportionately across the other asset classes in line with their strategic allocations, pending any future commitment.

During 2022 cash withdrawals of £6m were made from the investment portfolio. This was required for operational activities and also to fund the refurbishment of Michael Faraday House (now called Futures Place).

Cash balances arising from the results of operational and investment activities above that which is required for investing in ongoing operations are available for investment and normally invested externally and liquidated as reserves fall due to be utilised.

Money in the form of cash balances not required for use in ongoing operations will be placed on overnight or short to medium term deposit with a UK clearing bank (minimum A risk rated). Except for IET's principal bankers, there is a maximum limit for the IET Group ("IET") of up to £2m deposit with any one organisation. It is permitted to place short to medium term deposits with a higher risk (i.e. lower than A rated) bank or building society if it is cost effective, subject to approval by the Finance and Investment Committee. Where the overnight deposit accounts, which are maintained with IET's principal bankers, temporarily exceed that required for investment in ongoing operations (eg in January following significant numbers of membership receipts), the IET seeks to identify suitable deposit accounts with alternative providers as quickly as possible.

The IET will not enter into any contract-based foreign currency hedging.

The Trustees have considered in detail the requirements of the Charity Commission's Guidance note "Charities and investment matters: a guide for trustees" (CC14).

The allocation of unrestricted investment funds is summarised in the following table:

Asset Class	Performance Benchmark	Strategy
Developed Equities	Composite Benchmark comprising of regional indices provided by FTSE and MSCI Solactive Sustainable Global Developed Equity EU Paris-Aligned (NTR) Index	36%
Emerging Market Equities	MSCI Emerging Markets Index	4%
Diversified Growth	3 Month SONIA	12.5%
Private Markets	Not applicable	(up to) 15%
Multi-Asset Credit (MAC)	– 50% ICE BofA U.S. High Yield index – 50% Credit Suisse Leveraged Loan Index	12.5%
Emerging Market Debt (EMD)	J.P. Morgan GBI-EM Global Diversified Index	7.5%
Fixed Income Global Opportunities Fund	Not applicable	12.5%
Total		100%

The current approved strategic asset allocations, which include tailored allocations in respect of the Restricted (i.e. Endowment) Funds, are shown below:

	Unrestricted Fund	Expendable Endowment	Permanent Endowment
Developed Market Equities	36%	47%	75%
Emerging Market Equities	4%	-	-
Diversified Growth Fund	12.5%	15%	-
Private Markets	(up to) 15%	-	-
Multi-Asset Credit	12.5%	15%	16%
Emerging Market Debt	7.5%	8%	9%
Absolute Return Bonds	12.5%	15%	-
Total	100%	100%	100%

The IET exists to deliver benefit to society by working to engineer a better world. The Trustees believe sound and transparent governance, alongside attention to the societal impacts of organisational outcomes, supports the development and delivery of beneficial engineering and technology solutions to society.

The IET also has a specific objective to accelerate the pace of development and adoption of technology that supports the move towards a zero-carbon future to address the impacts of climate change on society and the wider environment.

The Trustees believe that Environmental, Social and Governance (ESG) factors can have a material impact on investment risk and return outcomes and that good stewardship can create and preserve value for companies and markets. IET therefore reflects these considerations, and particularly the role of financial markets in supporting the transition towards a more sustainable future, in its investment strategy.

ESG considerations are a standard part of the selection process when appointing new fund managers and the Institution requires its investment managers to have an ESG Policy in place in the selection, retention realisation of investments together with a well-developed focus on governance factors and the ability to demonstrate at least some indication, and preferably demonstrable evidence, of progress in stewardship with respect to environmental and social factors.

The Finance and Investment Committee uses ESG ratings and research information provided by their investment advisor, Mercer, to monitor the level of an investment manager's integration of ESG into their investment process and philosophy.

The Trustees have not specifically excluded any asset type, or individual investments in light of its charitable objectives or ESG policy, however, recognise that a degree of bias away from investments with weaker ESG performance and towards stronger ESG performance will influence the makeup of underlying investments. Within its allocation to private markets, the IET considers that funds which focus on sustainable investment strategies will positively impact the application of science, engineering and technology to achieve public benefit.

During 2021, the IET specifically considered how it might commence a transition towards a stronger component of ESG within its global passive developed equity funds. In February 2022, the IET completed a transfer of one third of its developed market passive equity portfolio into a Passive Sustainable Global Equity Fund. This is a Paris Aligned Fund that targets the level of carbon reduction set out in the Paris Agreement. This transition to an ESG themed equity approach better aligns IET's invested assets to its 2030 strategy, most notably its objective to accelerate the pace of development and adoption of technology that supports the move towards a zero-carbon future.

Investment performance

The Institution's non-property investment portfolio is monitored through monthly reports for management accounting purposes as well as quarterly performance reports which are reviewed at every meeting by the Finance and Investment Committee and include our investment advisor's view of both investment management and ESG ratings. The Institution's investment property is valued annually.

For Passive Investment Funds, a desk research exercise is carried out every three years, with the assistance of the IET's investment advisers, to reaffirm the Investment Manager's credentials and suitability. For Actively Managed Funds, each new selection is managed on a case-by-case basis and a detailed review of past performance is carried out annually for such funds with the relevant Investment Manager.

The Committee monitors investment performance of equities and bonds against relevant benchmark indices. Total net investment losses offset by investment income from the non-property investment portfolio during the year resulted in a net loss of £9.7m (2021: net income of £14.5m).

The objective of the BlackRock Dynamic Diversified Growth Fund is to seek capital growth and is measured against the 3-month SONIA benchmark. Over 2022, the Fund returned -10.7%, underperforming the benchmark return of 1.4%. Over the three years to 31 December 2022, the fund returned 1.2% p.a. outperforming the benchmark return of 0.6% p.a.

The BlackRock Fixed Income Global Opportunities Fund (Unconstrained Bonds) returned -6.7% gross of fees in GBP terms in 2022. The three-year annualised performance 2020-2022 was -0.5%.

The performance compared to Benchmark of the equity constituent funds of the IET's Investment Portfolio with BlackRock for 2022, all of which are passively managed, was as follows:

	Actual 2022	Benchmark 2022	Over/(Under) Performance
Developed Market Equities	-18.02%	-18.14%	0.12%
UK Equities	1.08%	0.7%	0.38%
North America Equities	-9.35%	-9.39%	0.04%
Europe Equities	-7.15%	-7.62%	0.47%
Japan Equities	-6.10%	-6.14%	0.04%
Pacific (ex Japan) Equities	5.92%	5.91%	0.01%
Emerging Market Equities	-10.49%	-10.02%	-0.47%

Furthermore, the 3 year 2020-2022 performance against Benchmark (annualised) for those equity elements of the BlackRock Portfolio that have been held over that period was as follows:

	Actual 2020-22 Annualised	Benchmark 2020-22 Annualised	Over/(Under) Performance
Developed Market Equities	5.06%	4.94%	0.12%
UK Equities	2.54%	2.35%	0.19%
North America Equities	10.41%	10.36%	0.05%
Europe Equities	5.52%	5.04%	0.48%
Japan Equities	2.27%	2.25%	0.02%
Pacific (ex Japan) Equities	5.00%	4.93%	0.07%
Emerging Market Equities	0.33%	0.49%	-0.16%

The Oak Hill Advisors' Diversified Credit Strategies Fund (MAC) generated net returns of -4.6% in 2022 compared to an index benchmark of -6.2%.

The Mercer EMD product had a positive return of 2.7% in 2022, which compares to a benchmark of -0.6%.

The Mercer Passive Sustainable Global Equities product generated net returns of -11.5% which was in line with benchmark.

The IET invested a further £1.4m in the Mercer Private Markets (PIP VI) Sustainable Opportunities Sleeve in October 2022. Furthermore in the year it made a commitment to invest £3m in the Mercer Private Markets PIP VII Global Impact Fund. At 31 December 2022 the IET's Private Markets investments were valued at £2,788,000.

Our plans for the future

Delivering our strategy

Following a period of intense and lasting change as the world navigated the COVID-19 pandemic, the IET remains committed to achieving the goals set out in our Strategy 2030 document.

Key performance indicators

Our 2023 key performance indicator targets, as set out by the Board of Trustees, provide us with a series of challenging goals.

Strategic Theme	Key Performance Indicator	2022 Actual	2023 Target
Engineering Excellence	Annual number of IET members achieving Engineering Council registered status in-year	2,053	2,291
Skills, Learning and Networks	Non-apprentice student and apprentice members below the age of 40 (excluding those in India and China)	36,466	36,750
Research Solutions	Average Journal Impact Factors	2.156	2.200
Innovation and Policy	Government Engagement Score	8,640	8,400
Education	Engagement with IET Education Activity / Resources	176,633	178,100
Enabling Metrics			
	Achievement of Annual Budgets	0	(6,231)
	Extent to Which Volunteers Recognise the Ways in Which their Contributions Align to the Beneficial Impacts the IET Seeks to Deliver	82.5%	83.2%

As our approach to our 2030 goals matures, the Institution's metrics will see some adjustment in 2023, in order to bring them in line with our 2030 objectives. We hope that these new, reworked metrics will be ready for measurement from 2024 onwards. In 2023 we will continue to grow and develop our activities with the needs of our primary audiences – practitioners, industry, academia and society – in mind. Staying relevant means that we need to be in touch with changing needs and the ways our stakeholders want to engage with us, whether that is different engagement offerings, new methods to deliver our services, or looking to new markets. We will also remain at the forefront of the conversations that matter most to our members and wider society – moving forward the agenda on topics such as equality and diversity, and sustainability.

As part of this, digital capabilities and resilience are critical to our success and, during the year, we will be continuing a programme of updating our Customer Relationship Management system and capitalising on the opportunities this presents, to optimise efficiency and customer engagement and experience. This is all part of making us fitter to deliver our strategy in these challenging times.

Societal challenges

Our societal challenges ensure we focus our efforts in specific areas – providing direction and purpose for the IET. As we work to demonstrate the IET's reputation and credibility as a trusted and recognised authority on these topics, we have found that most critical issues link strongly with the two over-arching challenges; even within the other challenges, the most urgent issues relate to sustainability and the employment of digital capabilities. This helps us to focus our efforts on supporting practitioners, industry and policy makers to address the questions that will deliver the greatest positive impact for society as a whole.

Structure, governance and management

Organisational structure

The IET was founded in 1871 and incorporated by Royal Charter in 1921. The current Royal Charter of the IET was allowed by the Privy Council on 14 November 2007 and came into effect from 1 January 2008, and the current Bye-laws were approved by the Privy Council on 27 September 2016 and came into effect on 1 October 2016.

The Board of Trustees comprises the charity trustees of the IET and meets regularly throughout the year to conduct the business of the IET in accordance with the Royal Charter and Bye-laws. Key issues discussed by the Trustees during the year included:

- The 150th Anniversary of the IET
- The A F Harvey Engineering Research Prize
- The appointment of an IET Chief Executive and Secretary
- Attendance at Events
- The change of Office Name
- Company Directors
- Complaints
- Corporate Communications Update
- The Election of IET Trustees
- The Engineering Council
- Equality, Diversity and Inclusion
- Four Zeds
- Gender Pay Gap Report
- Governance Review
- Health and Safety
- HM The Queen
- IEE Conventions Limited
- The IET Academy
- IET Fundraising Activities
- The IET Plan and Budget
- International Development Activities
- Know Your Customer Project
- Legal Update
- Members Annual Information Event
- Membership Subscriptions
- Membership Survey
- Micro-credentials
- Modern Slavery Act

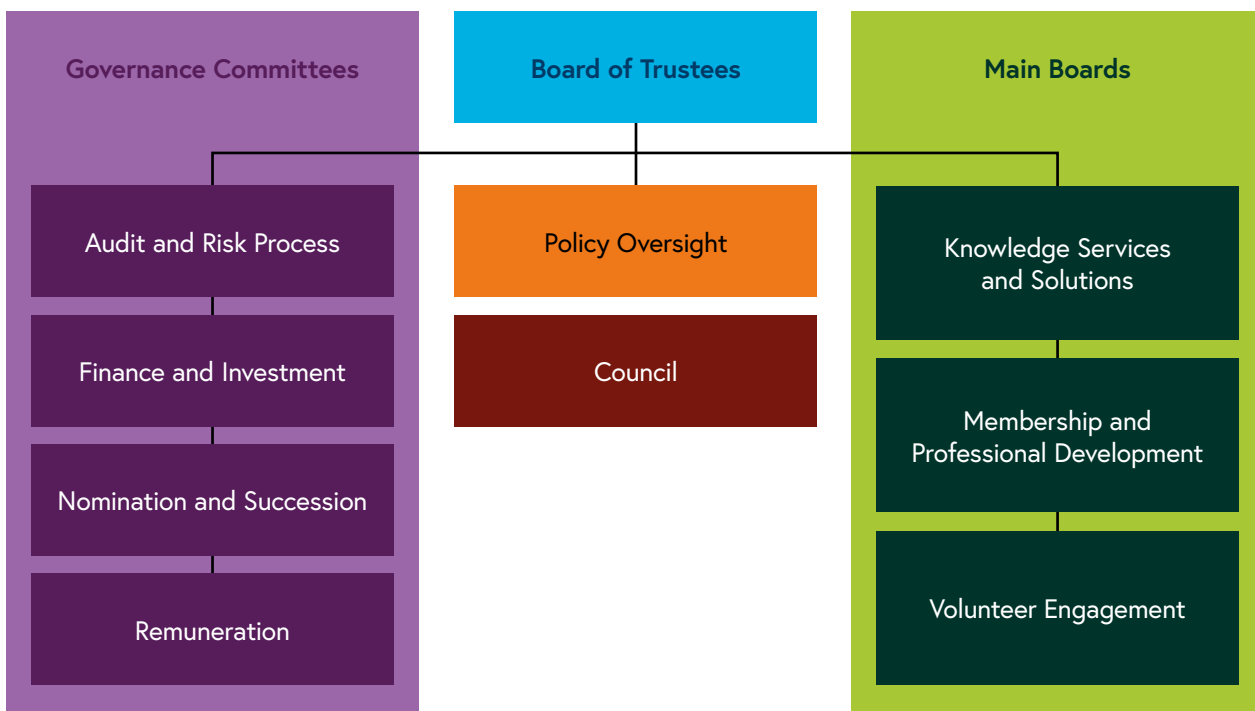
- New Awards
- Partnerships in China
- Policy and Insight Panels
- Policy Oversight Committee
- Reports from Main Boards, Committees and Council
- Reports from the Chief Executive and Secretary
- Reserves and Match-funding
- Risk Strategy and Appetite
- Royal Charter and Bye-laws
- The Russian Invasion of Ukraine
- Safeguarding of Children and Adults at Risk
- Savoy Hill House
- Skills Audit of Trustees
- Strategy Prioritisation
- Technician Membership Value Proposition

Minutes of the Board of Trustees' meetings, together with open Board papers can be found on the IET website.

The Trustees have established a structure of Boards and Committees from within the membership to monitor and control key areas of the IET as shown in the graphic below. Terms of reference for each of these bodies can be found in the About Us area of the Institution's website.

Individual Trustees are appointed to membership of these Boards and Committees alongside non-Trustee members to ensure strong communication and co-ordination of decision-making.

Fig. 4 Governance Structure.



Trustee election, induction and training

Trustees are normally elected by the membership from candidates who are either proposed by the Trustees, based on appropriate skills and competencies, or are nominated by 10 or more members. The President and Deputy Presidents are appointed by the Board of Trustees.

All new Trustees are provided with an Induction Pack, including relevant Charity Commission publications, which outlines the responsibilities and role of a Trustee and provides key information about the institution and its management.

Trustees are invited to attend orientation meetings with the President and senior staff and are asked to attend an induction seminar delivered by an external expert. They have access to the services of the Governance Department which maintains a training log and provides information and support as required.

Membership

Membership of the IET is open to any individual with an interest in science, engineering or technology. The institution is not constituted for the gain of its members and members have no claim over the property of the Institution. However, as a membership body, engagement of members in the activities of the IET is key to the successful delivery of its mission.

Members enjoy key rights and responsibilities as defined in the Royal Charter and Bye-laws, and participation as volunteers in both governance and delivery processes ensures their influence on decision making. In addition, the IET undertakes an annual membership survey, holds an annual Membership Information Event and brings volunteers together for training events as required.

Trustee roles	Appointed (from 1 October)	Retired (from 30 September)	Attendance (actual/ potential)	Other governance roles
Ms Y M Akinola	2018	2022	6/6	Nominations and Succession Committee (until 30 Sep)
Dr I S Belger	2018	2022	5/6	Nominations and Succession Committee (until 30 Sep)
Dr B S Bhangu (Vice President)	2020		5/9	Knowledge Services and Solutions Board Nominations and Succession Committee
Professor P T Blythe (Vice President)	2019	2022	5/6	Membership and Professional Development Board (until 30 Sep) Nominations and Succession Committee (until 30 Sep)
Professor R A Cryan (President)	2020		9/9	Audit and Risk Process Committee (until 30 Sep) Finance and Investment Committee (until 30 Sep) Nominations and Succession Committee Remuneration Committee
Professor T R Dafforn	2022		2/3	Policy Oversight Committee (from 11 Nov)
Mrs K Deacon	2021		9/9	
Ms A Feng	2022		3/3	Nominations and Succession Committee (from 1 Oct)
Professor D A George	2017	2022	2/6	Nominations and Succession Committee Remuneration Committee
Dr A C Harter (Deputy President)	2019		8/9	Audit and Risk Process Committee Finance and Investment Committee Nominations and Succession Committee Remuneration Committee
Ms S E Hubbard (Vice President)	2022		3/3	Membership and Professional Development Board (from 1 Oct) Nominations and Succession Committee (from 1 Oct)
Ms R C Hurst (Vice President and Honorary Treasurer)	2020		9/9	Audit and Risk Process Committee Finance and Investment Committee Knowledge Services and Solutions Board Membership and Professional Development Board Remuneration Committee Volunteer Engagement Board
Ms A S Hutty	2021		6/9	
Dr G Katragadda (Deputy President)	2019		8/9	Audit and Risk Process Committee Finance and Investment Committee Nominations and Succession Committee (from 1 Oct) Remuneration Committee (from 1 Oct)

Eur Ing Dr C Marsh (Vice President)	2022		3/3	Nominations and Succession Committee (from 1 Oct) Volunteer Engagement Board (from 1 Oct)
Professor R Nag	2022		3/3	
Professor P M Needham	2020		9/9	Audit and Risk Process Committee Finance and Investment Committee Nominations and Succession Committee (from 1 Oct)
Ms D E Ohlson (Vice President)	2019	2022	5/6	Nominations and Succession Committee (until 30 Sep) Volunteer Engagement Board (until 30 Sep)
Professor S K Spurgeon (Vice President)	2021		8/9	
Professor K Sugden	2020		9/9	
Sir Julian Young	2016		8/9	Nominations and Succession Committee Remuneration Committee (until 11 November 2022)

The Trustees have approved and put in place formal Delegations of Authority, which are accessible to all staff within the IET. The Royal Charter and Bye-laws require certain decisions to be taken by the IET in General Meeting.

Within these constraints it is the policy of the Board of Trustees that authority shall be delegated to the greatest extent compatible with the Trustees' overall direction and control of the IET and to the point in the IET where it can be exercised most effectively. The Trustees retain responsibility for all acts taken under these delegated responsibilities.

An annual business planning cycle is in place resulting in the production of a rolling three-year IET Plan. The Trustees also meet outside routine Board meetings to review key strategies and organisational objectives, as well as to review and approve the output of the planning process. Input to strategy and plan development is provided by the Main Boards and Council and informed by member and user feedback as well as structured research.

The Trustees monitor progress on a regular basis against strategic objectives and budgets set out in the IET Plan.

The Trustees also ensure strong communications with key Boards and Committees through committee membership as follows:

Effectiveness reviews

The Main Boards and Committees of the IET complete an annual exercise to identify skills gaps and assess the effectiveness of the relevant board or committee. Periodically, the IET also commissions an external organisation to review the effectiveness of the Institution's governance arrangements and the most recent review was conducted in early 2019 by Crowe UK LLP, following which an action plan was approved by the Board of Trustees.

Remuneration of key management personnel

The key management personnel of the charity comprise the Trustees and key staff, being the Chief Executive and Secretary and other members of the Executive Team who are routinely in attendance at Board of Trustees meetings.

The IET's policy is that no Trustees are remunerated for their services as a Trustee.

There is a Remuneration Committee made up of both current Trustees and other members appointed by the Trustees. The Committee has responsibility for agreeing the pay and remuneration of the charity's key staff on an individual level and has access to external professional advice which includes benchmarking, market trends and advice on structuring of incentives.

The key staff are currently remunerated by a combination of base salary and benefits, together with bonuses. The objectives set for the Chief Executive and Secretary (CES) and Executive Team have both corporate (short-term and long-term) and individual performance elements and are aligned to the strategic objectives of the IET to promote the long-term success of the institution.

Performance against the IET's values and individual objectives are assessed in the first instance by the President for the CES, and by the CES for the Executive Team and outcomes for all objectives are reviewed by the Remuneration Committee annually.

Gender Pay Gap

In 2022, we continued our work to review and report our gender profile and pay gap.

The report, which measures the difference in average earnings between men and women across the organisation in the UK, was based on a snapshot of our workforce on in April 2022, following the requirements and methodology outlined in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, and our previous review, which took place in 2021.

The report demonstrates that significant and sustained progress is being made in closing both our median and mean gender pay gap.

Since 2019, we have closed our mean gender pay gap by 6.8% and our median gender pay gap by 9.4% and we have made a notable reduction in our mean gender bonus gap when compared with 2019.

Whilst we recognise that there is still more work to be done, these figures demonstrate that the targeted actions we have put in place are moving us in the right direction.

Whilst these are positive changes, we recognise, too, that we still have too few women in senior roles and that further work is needed to reduce our gender pay and bonus gap.

Achieving our ambition of further closing the gap will take time, and we remain committed to making progress against the action plan that we identified in 2019 and that we believe to be most effective in delivering sustained improvement.

The areas highlighted in our action plan continue to be our priority. They are:

1. to develop an inclusive, supportive culture
2. to foster diversity at all levels through targeted recruitment and selection
3. to ensure we are rewarding fairly and appropriately
4. to unlock potential and develop talent across the organisation

We will continue to measure our progress in increasing diversity and inclusion within the Institution against the Royal Academy of Engineering and Science Council Diversity and Inclusion progression Framework Tool to ensure we challenge ourselves to improve our approach to diversity and inclusion overall.

Charity Governance Code

In February 2018, the IET adopted the *Charity Governance Code for Larger Charities (2017)* replacing the *Charity Governance Code* which was adopted by the IET in 2012. The Board of Trustees receives regular reports reviewing the use of, and compliance with, the Code. The majority of recommended practices within the Code correspond with the practices of the IET and where the IET has not adopted some of these practices the Board of Trustees receives an explanation of the reasons.

Risk management

The Trustees have implemented a risk management strategy which includes the maintenance and regular review of a strategic and operational risk register. The Trustees regularly review the strategic risks and the risk management framework is supported by the work of the Audit and Risk Process Committee, as well as the Main Boards and Committees, which monitor certain strategic risks as delegated by the Board of Trustees. New risks can occur at any time and therefore strategic risks will be considered and reviews on an ad-hoc basis as relevant, but existing risks will be reviewed at least annually.

Risk mitigation and management plans, including internal controls, are developed in agreement with the senior staff. The strategic and operational risk register informs the planning of Internal Audit work which is agreed by the Audit and Risk Process Committee and includes testing of internal controls.

More widely, risk awareness and management is promoted through skills audits, project management methodologies, the use of professional advisors and the recruitment of staff with specialist skills, including Legal and Compliance.

The most significant strategic risks and uncertainties faced by the IET in 2022 are shown in the table below. The COVID-19 pandemic risk has reduced and no longer warrants a dedicated business continuity team.

Limits to face-to-face interactions continue to generate risks to membership recruitment and engagement with physical events. Short-term operational budgets have been impacted but are being managed over the medium-term.

Overall, the Trustees are satisfied that the major risks have been reviewed and systems or procedures have been established to manage those risks, albeit that absolute assurance cannot be achieved.

Strategic risk	Principal mitigations and management plans
Ability to recruit members and encourage professional development	Established processes in place for virtual engagement with potential members and professional registrants. Employer engagement through IET Partnership Programme virtually and physically. Professional development on-line with LifeSkill courses and new launch Career Manager Phase 3 with increased monthly engagement. Discounts available for hardship and early career stage.
Maintaining systems integrity and information security	Appropriate information policies and procedures have been put in place and these are subject to both internal review and external testing. Risk assessments, incident management and business continuity procedures are also in place. Specialist role within the staff team.
Know Your Customer	Operational benefits, delivery and governance. Focus on change management to bring the organisation along on the change journey to ensure meaningful process improvement to benefit the Member and customer experience and operational effectiveness. Clear plans around integration, data migration, and release management (including User Acceptance Testing (UAT), cut over and roll back options for all phases). Executive and sponsor control group governance in place to manage programme delivery and benefits are in line with objectives, plans and budgets at each phase of delivery with clear measurable outcomes.

Ensuring IET's activities remain financially sustainable	The IET has previously adopted a financial framework to structure budgeting in the context of reserves and medium-range budgets. Mitigations include forecasting, strategic planning, portfolio management and sound procurement practices.
Ability to meet defined benefit pension liabilities	The scheme has previously been closed to accrual. Risk reduction and funding approaches, including liability-driven investments and partial buy-in of liabilities have been agreed with scheme trustees. Long-term risks are supported by IET's own Reserve policy.
Ensuring compliance with data protection law	Policies and procedures in place and regular training provided. Specialist role within the staff team.
Threats to the level of publishing revenues	The IET's financial model depends on contributions generated from mature publishing products. Mitigations include close management and renewal of strategic partnerships and vendors, product development and new product initiatives.
Protecting the intangible value of business assets	Scanning for market trends and threats to business value together with appropriate development of existing products to maintain relevance.
Business continuity and disaster recovery	With the support of external expertise, the IET maintains a Business Continuity Plan and tests it regularly based on simulated scenarios.
Adequate project management capabilities for effective development	Standard project methodologies (including Agile) supported by structured Project Office procedures and Executive monitoring. Qualified and dedicated project managers are used for key projects.
Liabilities and reputational risk resulting from publications, opinions and advice	Use of suitably qualified staff together with robust editing and checking procedures. Up to date quality control systems in place.
Ability to maintain status and influence in Public Policy	Building key relationships, engaging on topics of relevance to government and ensuring a high quality of expertise within IET.
Adverse trends in member demographics	Recruitment focus on student and early career members. Development of engagement through IET On Campus and other Young Professional oriented activities. Increased engagement with engineering employers. Proactive marketing.
Safeguarding children and vulnerable adults	Ensuring suitable policy, procedures and checks are in place as well as mandatory training for all staff and volunteers.

Related parties and collaboration with other charities

The IET owns seven active incorporated subsidiaries as described in Note 2. These include two companies in the UK operating on a commercial basis, principally in the areas of room lettings, publishing and technical conference and exhibition management services.

The IET works in cooperation with Learned Societies, employers, educators and other bodies within the engineering and technology sector and in close partnership with the Engineering Council and Engineering UK. Cooperation includes the development of common standards, shared products, activities and promotional materials.

The IET is one of many Professional Engineering Institutions in the UK and collaborates in a number of ways with the objectives of leveraging the combined capabilities of these organisations for the benefit of society.

The Institution also collaborates with the IET Benevolent Fund (Foothold) who provide benevolent services to IET members and staff.

Corporate Social Responsibility

As a registered charity, we exist to deliver public benefit and we achieve this primarily through the advancement of knowledge in science, engineering and technology to deliver solutions to the needs of wider society.

We promote and encourage ethical behaviour in the practice of these disciplines by all stakeholders. In so doing, we seek to raise the level of public trust and confidence in the positive contribution to society made by science, engineering and technology. In joining the IET, all members must agree to abide by the Rules of Conduct which aim to support members to take an ethical stance when balancing the often conflicting interests and demands of employers, society and the environment.

We have a shared set of values for our staff and volunteers and seek to develop the skills and opportunities of staff and volunteers as part of a single team.

Many of our members support the work of the IET Benevolent Fund (Foothold). In 2010, we became a patron of disaster relief charity RedR. RedR works on an international level to improve the effectiveness of disaster relief, by delivering essential training and support to relief organisations and their staff, and by providing skilled professionals to humanitarian programmes.

In addition to the expectations to protect the environment included within the Members' Rules of Conduct, we also seek to support environmental sustainability within its own operations.

Transparency in Supply Chains (TISC): Modern Slavery Act Statement

The IET runs its activities with integrity. Modern slavery is a complex and multi-faceted crime and tackling it requires all of us to play a part. The IET is committed to preventing acts of modern slavery and human trafficking from occurring within its business and supply chain and to improving our practices to combat slavery and human trafficking.

The Modern Slavery Act 2015 requires UK organisations with an annual turnover of £36m or more to report on the steps they are taking to ensure that modern slavery is not taking place in its supply chains and publish with a link via the home page on its website. This includes the IET.

The IET works with its subsidiaries and international partners to ensure that modern slavery is not present in their operations and activities.

The IET's supply chain

In order to deliver its activities, the IET works with a range of suppliers, including publishing services, software services, catering and facilities management, and professional services.

Policies

The IET has an **Anti-Slavery Policy** in place and offers guidance on whistleblowing on its website at [here](#) as well as having staff and **volunteer** policies on whistleblowing. The IET also has a comprehensive Procurement Manual in place which sets out a procurement framework designed to ensure that modern slavery is not present within the IET's business.

The IET's Rules of Conduct for Members embed ethical behaviour across IET's membership and oblige members to observe the provisions of the Statement of Ethical Principles published by the Engineering Council and the Royal Academy of Engineering.

Actions to minimise risk of Slavery

The IET takes a multifaceted approach, which includes:

During 2020 and ongoing into 2022, the IET requested, via our procurement policy and forms, that all contracts must include anti-slavery statements.

In 2020, the IET undertook a risk assessment to identify areas of its supply chain which might be susceptible to slavery or human trafficking. The risk assessment considered both geographic and sector risk. It identified that as regards its operations and supply chains, catering and other services at its venues represented a risk, as did the use of certain outsourced services in India.

During 2022 we completed a major refurbishment of our main office base in Stevenage and all contracts included a clause addressing anti-slavery.

Contracts with IT supplier contracts within high-risk countries all have Modern Slavery clauses within them. The suppliers all have UK offices or are part of larger international corporations. We carry out regular meetings and site visits to suppliers at least once a year. During 2022 one of our IT suppliers in India was visited twice.

We have Modern Slavery provisions included in our operating manuals for both India and China offices.

A number of HR contract providers, both reward and recruitment related were spot checked during 2022 and no issues were found.

Our recruitment practices help prevent the risk of modern slavery within our organisation. Our employment agreements and policies are managed locally, based on global templates and principles but adapted for the relevant local context and applicable law.

Some of the other recruitment measures which the IET has in place include:

- Conducting vetting checks of prospective recruits before extending an offer of employment and a police (where appropriate) and reference check prior to start date (double-stage process).
- Conducting regular salary reviews to ensure that staff are paid a living wage in the countries it operates in, and benchmarking salaries to ensure that they remain competitive in the sector.
- Checking, but not withholding, identity documents and rights to work documentation.
- Providing information on workers' rights in a language they can understand.
- Not allowing fines levied to be passed onto employees, for workers to be charged finders' fees, and not deducting accommodation or transport costs from staff salaries.

Continuous review and risk mitigation

The IET Anti-Slavery Policy sets out the IET's principal risk areas. The IET recognises the need to continually assess the risks of slavery or human trafficking.

The IET also recognises that there may be gaps in visibility of supply chains and limitations in the tools used to identify risks. Addressing these is a complex task and is under continuous review to develop an effective framework. The IET recognises the need for modern slavery training across the organisation to widen awareness, particularly for those staff members who are involved in managing recruitment and our supply chains. During 2022 the Institution rolled out an eLearning module to all IET staff on Modern Slavery and as of January 2023, 75% of staff have completed this training.

To date, the IET has not found any instances of modern slavery in its operations or supply chain.

This statement was approved by the Board of Trustees on 6 February 2023.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law, regulations and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards 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 adequate accounting records that are sufficient to show and explain the charity's transactions and that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The Trustees Report on pages 5 to 67 was approved by the Trustees on 4 May 2023 and signed on their behalf by:



Professor Bob Cryan
CBE DL FREng MBA DSc CEng FIET,
IET President
May 13, 2023

Bob Cryan
Bob Cryan (May 13, 2023 14:09 GMT+1)

Independent auditor's report to Trustees of the IET

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 December 2022 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 & 8 of the Charities Accounts (Scotland) Regulations 2006, as amended.

We have audited the financial statements of The Institution of Engineering and Technology ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 31 December 2022 which comprise the consolidated and parent charity statement of financial activities, the consolidated and parent charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

We remain independent of the Group and the Parent Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the IET Trustees' Annual Report and Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is inconsistent in any material respect with the financial statements; or
- adequate and proper accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the 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 or the parent Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 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.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

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 the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be relevant charities acts in the UK and Scotland. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. We considered the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error. We also considered financial performance, key drivers for bonus or other performance targets. We also considered the risks of non-compliance with other requirements imposed by the Charity Commission and/or the Office of the Scottish Charity Regulator, and we considered the extent to which non-compliance might have a material effect on the group financial statements.

In addition, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law and data protection. In order to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, we made enquiries of management and Those Charged With Governance about whether the entity is in compliance with such laws and regulations and inspected any relevant regulatory and legal correspondence.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries of the Audit and Risk Process Committee, management and internal audit, and a review of minutes of meetings of those charged with governance. We made enquiries regarding any matters identified as a Serious Incident as reportable to the Charity regulators. We also performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

We challenged assumptions made by management in their significant accounting estimates in particular in relation to the assumptions related to the valuation of the defined benefit pension scheme and the assumptions related to the valuation of Savoy Hill House.

We did not identify any matters relating to irregularities, including fraud. As in all of our audits, we also addressed the risk of management override of internal controls, including testing journals including those which potentially impact remuneration and other performance targets and evaluating whether there was evidence of bias by management or the Board that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

BC8C15A11E97446...

BDO LLP, statutory auditor
Gatwick, UK
17 May 2023

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Financial Activities

for the year ended 31 December 2022

	Notes	Unrestricted Funds 2022 £000	Restricted & Endowment Funds 2022 £000	Total Funds 2022 £000	Unrestricted Funds 2021 £000	Restricted & Endowment Funds 2021 £000	Total Funds 2021 £000
INCOME AND ENDOWMENTS FROM:							
Donations and legacies		1	553	554	(3)	760	757
Trading activities	2	10,178	-	10,178	3,870	-	3,870
Investment and other incomes	3	3,917	434	4,351	4,168	432	4,600
Charitable Activities							
Education, policy and awareness		293	-	293	284	781	1,065
Knowledge services and solutions		30,451	-	30,451	29,189	-	29,189
Membership and professional development		19,260	-	19,260	19,066	-	19,066
Share of profit/(loss) in joint venture	2	2,478	-	2,478	(2)	-	(2)
Total		66,578	987	67,565	56,572	1,973	58,545
EXPENDITURE ON:							
Raising Funds							
Fundraising costs		343	-	343	360	-	360
Trading activities		3,663	-	3,663	1,283	-	1,283
Investment management fees		566	50	616	547	63	610
Charitable Activities							
Education, policy and awareness		7,919	1,939	9,858	9,113	2,294	11,407
Knowledge services and solutions		33,975	-	33,975	31,774	-	31,774
Membership and professional development		20,371	-	20,371	19,098	-	19,098
Total	5	66,837	1,989	68,826	62,175	2,357	64,532
Net (losses)/gains on investments	8	(12,668)	(2,016)	(14,684)	8,608	2,030	10,638
Net (expenditure)/income		(12,927)	(3,018)	(15,945)	3,005	1,646	4,651
Other recognised (losses)/gains:							
Remeasurements of net defined benefit pension schemes	15a	(3,465)	-	(3,465)	5,184	-	5,184
Foreign exchange gains arising on retranslation of foreign subsidiaries		81	-	81	22	-	22
Net movement in funds		(16,311)	(3,018)	(19,329)	8,211	1,646	9,857
Reconciliation of funds:							
Total funds brought forward		178,255	17,900	196,155	170,044	16,254	186,298
Total funds carried forward	14b	161,944	14,882	176,826	178,255	17,900	196,155

All income and expenditure is derived from continuing activities.
The Statement of Financial Activities includes all gains and losses recognised in the year.

IET Statement of Financial Activities

for the year ended 31 December 2022

	Notes	Unrestricted Funds 2022 £000	Restricted & Endowment Funds 2022 £000	Total Funds 2022 £000	Unrestricted Funds 2021 £000	Restricted & Endowment Funds 2021 £000	Total Funds 2021 £000
INCOME AND ENDOWMENTS FROM:							
Donations and legacies							
Qualifying charitable donations due to the IET	2	4,475	-	4,475	530	-	530
Other donations and legacies		1	553	554	(3)	760	757
Investment and other income	3	8,811	434	9,245	6,790	432	7,222
Charitable Activities							
Education, policy and awareness		293	-	293	284	781	1,065
Knowledge services and solutions		30,096	-	30,096	28,673	-	28,673
Membership and professional development		18,954	-	18,954	18,846	-	18,846
Total		62,630	987	63,617	55,120	1,973	57,093
EXPENDITURE ON:							
Raising Funds							
Fundraising costs		343	-	343	360	-	360
Investment management fees		566	50	616	547	63	610
Charitable Activities							
Education, policy and awareness		7,919	1,939	9,858	9,113	2,294	11,407
Knowledge services and solutions		33,893	-	33,893	31,618	-	31,618
Membership and professional development		20,063	-	20,063	19,036	-	19,036
Total	5	62,784	1,989	64,773	60,674	2,357	63,031
Net (losses)/gains on investments	8	(12,668)	(2,016)	(14,684)	8,608	2,030	10,638
Net (expenditure)/income		(12,822)	(3,018)	(15,840)	3,054	1,646	4,700
Other recognised (losses)/gains:							
Remeasurements of net defined benefit pension schemes	15a	(3,465)	-	(3,465)	5,184	-	5,184
Net movement in funds		(16,287)	(3,018)	(19,305)	8,238	1,646	9,884
Reconciliation of funds:							
Total funds brought forward		177,078	17,900	194,978	168,840	16,254	185,094
Total funds carried forward	14b	160,791	14,882	175,673	177,078	17,900	194,978

All income and expenditure is derived from continuing activities.
The Statement of Financial Activities includes all gains and losses recognised in the year.

Consolidated and IET Balance Sheets

as at 31 December 2022

	Notes	Group		Charity	
		2022 £000	2021 £000	2022 £000	2021 £000
Fixed assets					
Tangible assets	7	41,800	41,169	41,788	41,160
Investments	8b	130,020	149,446	129,714	150,398
Total fixed assets		171,820	190,615	171,502	191,558
Current assets					
Stock and work in progress		396	140	391	135
Debtors	9	11,776	11,158	14,500	10,756
Investments	8b	4,519	3,986	4,519	3,986
Cash at bank and in hand		9,031	9,391	2,843	5,947
Total current assets		25,722	24,675	22,253	20,824
Liabilities					
Creditors: Amounts falling due within one year	10	(21,304)	(21,822)	(18,670)	(20,091)
Net current assets		4,418	2,853	3,583	733
Total assets less current liabilities		176,238	193,468	175,085	192,291
Creditors: Amounts falling due after more than one year	11	(3,474)	(3,526)	(3,474)	(3,526)
Net assets excluding pension asset		172,764	189,942	171,611	188,765
Defined benefit pension scheme asset	15	4,062	6,213	4,062	6,213
Total net assets		176,826	196,155	175,673	194,978
FUNDS					
Endowment funds		14,095	16,728	14,095	16,728
Restricted income funds		787	1,172	787	1,172
Restricted funds	14	14,882	17,900	14,882	17,900
General funds		91,512	102,838	91,785	103,104
Designated funds		66,370	69,204	64,944	67,761
Unrestricted funds		157,882	172,042	156,729	170,865
Pension reserve	15	4,062	6,213	4,062	6,213
Total funds	14	176,826	196,155	175,673	194,978

The Notes on pages 76 to 105 form part of these financial statements.

Approved and authorised for issue by the Trustees on 4 May 2023 and signed on their behalf by:

Professor Bob Cryan
CBE DL FEng MBA DSc CEng FIET,
IET President
May 13, 2023

Bob Cryan
Bob Cryan (May 13, 2023 14:09 GMT+1)

Ms Rachel Hurst
FEng MSc FIET,
Honorary Treasurer
May 11, 2023

Rachel Hurst

Consolidated Statement of Cash Flows

for the year ended 31 December 2022

	2022 £000	2021 £000
Cash flows from operating activities:		
Net cash used in operating activities	(8,052)	(8,732)
Cash flows from investing activities:		
Interest received	97	11
Rent receivable	1,372	1,220
Share of profit/(loss) in joint venture	2,478	(2)
Income from non-property investments	2,845	3,047
Investment management fees	(616)	(610)
Purchase of tangible fixed assets (see note below)	(3,819)	(13,551)
Purchase of investments	(19,336)	(2,999)
Sale of investments	25,336	24,024
Net cash provided by investing activities	8,357	11,140
Cash flows from financing activities:		
Finance lease repayments	(132)	(132)
Net cash used in financing activities	(132)	(132)
Change in cash and cash equivalents in the year:	173	2,276
Cash and cash equivalents at 1 January	13,377	11,101
Cash and cash equivalents at 31 December	13,550	13,377

	2022 £000	2021 £000
Reconciliation of net income to net cash flow from operating activities		
Net income	(15,945)	4,651
Depreciation	2,766	1,690
Net losses/(gains) on investments	14,684	(10,638)
Adjustment to carrying value of joint venture	(1,258)	16
Unwinding of discount on finance lease	130	130
Foreign exchange gains arising on retranslation of foreign subsidiaries	81	22
(Increase)/decrease in stocks	(256)	130
Increase in debtors	(618)	(1,106)
(Decrease)/increase in creditors	(146)	1,232
Adjustment for non-cash FRS 102 credit in respect of defined benefit schemes	(126)	(5)
Contributions paid to defined benefit schemes	(1,188)	(1,188)
Interest received	(97)	(11)
Share of (profit)/loss in joint ventures	(2,478)	2
Rent receivable	(1,372)	(1,220)
Income from non-property investments	(2,845)	(3,047)
Investment management fees	616	610
Net cash used in operating activities	(8,052)	(8,732)

	2022 £000	2021 £000
Analysis of cash and cash equivalents		
Cash held as part of the fixed asset investment portfolio	4,519	3,986
Cash at bank and in hand	9,031	9,391
	13,550	13,377

	At 31 December 2021 £000	Cashflows £000	Unwinding of discount on finance lease obligation £000	At 31 December 2022 £000
Analysis of changes in net debt				
Cash at bank and in hand	9,391	(360)	-	9,031
Cash held as part of the fixed asset investment portfolio	3,986	533	-	4,519
Finance lease obligations	(2,378)	132	(130)	(2,376)
	10,999	305	(130)	11,174

	2022 £000	2021 £000
Purchase of Tangible Fixed Assets		
Tangible Fixed Assets Additions per Note 7	3,397	14,275
Other amounts paid in the year relating to amounts outstanding at 1 January	724	-
Amounts to be paid as at 31 December 2022	(302)	(724)
Amount included in Consolidated Statement of Cash Flows	3,819	13,551

Notes forming part of the financial statements

for the year ended 31 December 2022

1. Accounting policies

Basis of preparation

These financial statements have been prepared under the historical cost convention, as modified by the inclusion of certain financial instruments at fair value, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 as amended.

The IET achieves its public benefit purpose by encouraging the next generation of engineers, disseminating and exchanging technical knowledge; enhancing capability, professionalism and innovation, together with an improved understanding of how science, engineering and technology can provide solutions to meet society's needs. The Trustees have paid due regard to the public benefit guidance published by the Charity Commission.

Preparation of the accounts on a going concern basis

The Trustees confirm that at the time of approving the financial statements, there are no material uncertainties regarding the Charity's ability to continue in operational existence for the foreseeable future. In arriving at this conclusion, the Trustees have considered a period of at least 12 months from the approval date of these accounts and have taken account of current and anticipated financial performance, liquidity, its reserves position and the ability to draw down on readily realisable investments as required. For this reason, the going concern basis continues to be adopted in the preparation of the Charity's financial statements.

Key judgments and assumptions

The most significant areas of judgment and assumption that affect items in the accounts include the actuarial assumptions which underpin the Pension Scheme Liability (see Note 15 for more information), the determination that the net pension asset meets the definition of an asset which can be recognised on the balance sheet, and the accounting treatment and assumptions that underpin the valuation of Savoy Hill House. This property

has been accounted for wholly as an investment property. The percentage of the property used for operational use is less than 10% of the floor space and as such is considered a trivial amount; furthermore, this element is not capable of being sold or leased out separately. With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the IET are the level of investment return and the performance of investment markets (see the Investment Policy within the Trustees' Annual Report and Note 8).

Constitution

The Institution of Engineering and Technology (IET) is incorporated by Royal Charter and registered with the Charity Commission for England and Wales under charity number 211014 and the Office of the Scottish Charity Regulator under charity number SC038698.

Basis of Consolidation

The Group accounts incorporate the financial statements of the IET and its subsidiaries on a line-by-line basis. All subsidiaries have co-terminous year-ends to the IET, apart from The Institution of Engineering and Technology ("IET India"), IET Services (India) Private Limited ("IET Services

India") and IET Solutions (India) Private Limited ("IET Solutions") which have financial year ends of 31 March.

Income

Income is accounted for when receivable. Income received from perpetual access to journal archives is recognised in full at the point of sale. In the case of membership subscriptions and subscriptions for journals and electronic services any receipt in respect of future years is shown as Amounts received in advance.

Government grants are accounted for when performance related conditions are met. For grants where no performance related conditions are imposed, income is recognised when the grant proceeds are receivable.

Legacies are accounted for when considered receivable.

Investment income and donations are accounted for when receivable. During the year, the IET collected membership fees on behalf of The Engineering Council and the Chartered Management Institute. Any such amounts collected are then passed onto the respective organisation. As the IET is acting as an agent in the collection of these fees, they are not recognised as income or an asset in the financial statements.

Expenditure

Charitable Expenditure includes direct costs and support costs. Support costs comprise those necessary costs which do not themselves produce the output of the charity, including central office functions and governance costs as shown in Note 5a. Such administration and accommodation support costs have generally been allocated on a departmental staff headcount basis.

Governance costs are the costs associated with constitutional and statutory requirements and the strategic management of the charity's activities.

The costs of raising funds are the costs associated with generating income other than those derived from undertaking charitable or trading activities.

Foreign Currency Transactions

Foreign currency transactions are converted at the rate ruling on the date of the transaction. Outstanding balances are translated into sterling at the rates ruling at the balance sheet date. Any exchange differences arising are taken to the SoFA.

Taxation

The IET is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly, the IET is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of 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.

Grants payable

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the IET. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the IET.

Depreciation

Depreciation is provided on fixed assets so as to write them off over their estimated useful lives as follows:

Mechanical and Electrical Installations
Straight-line over 15 years

Furniture, fittings and equipment
Straight-line over 10 years

Computer and electronic equipment
Straight-line over 4 years

London Crown leases, other leasehold and freehold buildings
Straight-line over the lower of the length of the lease or 50 years

Assets in the course of construction are not depreciated.

Savoy Place and Futures Place (formerly known as Michael Faraday House) are capitalised at historic cost. Austin Court is capitalised at deemed cost.

Other assets costing less than £2,500, and the cost of computer software, are written off in the year of purchase.

Exhibits and associated artwork are not capitalised and are written off in the year of purchase.

The IET does not capitalise its heritage assets as neither reliable cost information nor comprehensive valuations are readily available and such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the Charity. Furthermore, there is no intention for resale (see Note 7 for further detail).

Investments

Non-property investments are included in the balance sheet at fair value being the quoted bid price or, where bid prices are not available, the net asset value ("NAV"). Investments in underlying investments in the private markets vehicles shall, in principle, be valued at their last available net asset value as reported or provided by these funds or their agents. Such net asset value may be adjusted for subsequent net capital movements (i.e. capital calls, distributions etc.) where deemed appropriate by the Alternative Investment Fund Manager ("AIFM"). The AIFM may, in its discretion, permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset or liability of the Fund (or its Sub-Funds). This method will then be applied in a consistent way.

Securities or investment instruments that are listed on a stock exchange or dealt in on another regulated market, are valued at their last available sales prices reported on such exchange on the valuation day or, if no prices were quoted on such date, at the last reported "bid" price (in the case of a security or investment held long) and the last reported "ask" (in case of a security or investment sold short) on the valuation day, if no such prices have been quoted on such date, at the value assigned reasonably and in good faith by AIFM.

Securities or investments that are not listed on a stock exchange or dealt in on another regulated market as well as other non-listed assets (excluding interest in underlying funds, which will be valued in accordance with an investment structure) will be valued on the basis of the probable net realisation value (excluding any deferred taxation)

estimated reasonably and in good faith by the AIFM.

Short-term securities with remaining maturities of one year or less at the time of purchase are valued at cost or any other valuation methods as deemed appropriate.

The value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interests declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.

Realised and unrealised gains/losses are recognised in full in the SoFA. Investment income is accounted for when receivable, with account taken of the tax credit at the time of receipt of the net income.

Investment property has been valued at the year-end date in accordance with the RICS valuation – Global Standards 2020 ("the Red Book") and has been valued at fair market value in accordance with FRS 102. As such, no depreciation is charged during the year. Gains or losses arising on revaluation are credited or charged respectively to the SoFA under "Net gains/(losses) on investments". Key assumptions of the valuation include the following yield profile:

- Net Initial Yield: 2.2%
- Equivalent Yield: 6.1%
- Reversionary Yield: 7.25%

Investments in subsidiary undertakings are accounted for at historic cost less impairment.

Investments in joint ventures are accounted for using the equity method in the Group financial statements.

Current asset investments include:

- i) cash on deposit and cash equivalents with a maturity period of between 3 and 12 months from the date of acquisition; and
- ii) cash held for investment purposes as part of the fixed asset investment portfolio, rather than to meet short term cash commitments as they fall due.

Stocks & Work-In-progress

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due provision for slow moving and obsolete items.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. The exceptions to this are investments which are measured at fair value.

Cash at bank and in hand

Cash at bank and in hand includes deposits which can be withdrawn within 24 hours without penalty and short-term deposits which have a maturity period of 3 months or less from the date of acquisition and are not subject to significant risk of changes in value.



Liabilities

Liabilities (including termination payments) are recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Leasing

Finance lease obligations are included within Creditors. Non-investment property assets held under finance leases are capitalised and depreciated over the shorter of the lease term or 50 years.

Lease obligations on investment properties are treated as finance leases. The lease obligation is quantified at the point of the lease inception or the property becoming an investment property, whichever occurs later, based on the present value of the minimum lease payments, and is included in creditors. Any adjustments to the rent payable under such leases due to periodic rent reviews is considered to be contingent rent. Contingent rent is treated as expenditure as it becomes payable.

Rentals paid under operating leases are charged in the SoFA on a straight-line basis over the lease term.

Fund accounting

Restricted funds are subject to specific restrictions imposed by the donor.

They include 'Restricted income funds' which are spent or applied within a reasonable period from their receipt or 'Endowment funds' originating from donations or bequests and invested to enable future expenditure in line with the restrictions of the donor. Endowment funds can be either permanent or expendable. Permanent endowment funds are held indefinitely, and the capital

cannot be expended. Expendable endowments allow the Trustees to exercise the power to expend or apply the capital in line with the restriction.

Restricted Income Funds are not considered to be material in total and as such are not disclosed separately on the face of the SoFA. Summarised information is included in Note 14 on Reserves.

Designated funds are set aside by the Trustees for specific purposes but would otherwise form part of the general funds. General funds are available to spend at the discretion of the Trustees in furtherance of the charitable objectives of the IET. Further explanations are set out in Note 14.

Pension Costs

In accordance with "FRS 102–Employee Benefits", both the operating and financial costs of pension and other post-retirement benefits are recognised in the SoFA. Pension cost is assessed in accordance with the advice of a qualified Actuary. Actuarial gains and losses arising are recognised within the "Other recognised gains/(losses)" category of the SoFA under the heading "Remeasurements of net defined benefit pension schemes". The provisions of "FRS 102–Employee Benefits" have been fully complied with and the relevant disclosures are made in Note 15. Contributions to defined contribution schemes are charged in the SoFA in the year they are due.

Defined benefit plan

For the defined benefit retirement plan, the cost of providing benefits is determined using the projected unit credit method.

Pension Scheme Liability/Asset

The net defined benefit liability represents the present value of the defined benefit obligation

minus the fair value of plan assets out of which obligations are to be settled. Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan. Such assets are recognised in the balance sheet on the basis that the IET has an unconditional right to a refund of any ultimate surplus from the scheme.

The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains/Losses

Gains or losses recognised in other recognised gains/(losses):

- Actuarial gains and losses.
- The difference between the interest income on the plan assets and the actual return on the plan assets.

Irrecoverable VAT

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- no cash flow statement or net debt reconciliation has been presented for the parent company; and
- no disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

2. Trading activities and subsidiaries

The Group's financial statements incorporate all the IET's wholly owned subsidiary companies. Throughout 2022 the IET had two active wholly owned non-charitable trading subsidiary undertakings registered in England and Wales, IET Services Limited (IETSL), company registration number 909719, and IEE Conventions Limited (IEECL), company registration number 3566585, both of which are consolidated. The profit and loss accounts of these subsidiaries are shown below, and net profits are donated to the IET under a Deed of Covenant.

IETSL provides magazine publishing, conference, advertising and recruitment services, and rent of surplus IET accommodation and related services such as catering.

The principal activity of IEECL is the provision of conference and exhibition services. IEECL accounts for its respective 34% shares in International Broadcasting Convention Limited (IBC Limited) and the International Broadcasting Convention Partnership (IBC Partnership) under the cost model in its individual financial statements, measuring its investments at cost and distributions received from the investments as income. IEECL is jointly and severally liable together with the other partners for the IBC's obligations: the Trustees consider that the possibility of a transfer of economic benefits is remote and therefore have not disclosed a contingent liability in connection with the joint venture.

	IETSL 2022 £000	IETSL 2021 £000	IEECL 2022 £000	IEECL 2021 £000
Turnover – external	10,178	3,870	-	-
Turnover – intercompany	4,338	4,058	-	-
Turnover - total	14,516	7,928	-	-
Share of Joint Venture Profits/(Losses)	-	-	2,478	(2)
Cost of Sales	(11,578)	(6,636)	-	-
Gross Profit/(Loss)	2,938	1,292	2,478	(2)
Distribution Costs	(923)	(961)	-	-
Administration Expenses	(3)	(35)	-	-
Operating Profit/(Loss)	2,012	296	2,478	(2)
Income from Shares in Group Undertakings	-	267	-	-
Net Interest Payable and Similar Charges	(13)	(20)	-	-
Profit/(Loss) on Ordinary Activities before Tax	1,999	543	2,478	(2)
Tax on ordinary activities	-	(13)	-	-
Profit/(Loss) for the Financial Year	1,999	530	2,478	(2)
Statement of Changes in Equity:				
Balance at 1 January	800	800	114	116
Profit/(Loss) for the Financial Year	1,999	530	2,478	(2)
Qualifying charitable donations due to the IET	(1,999)	(530)	(2,476)	-
Balance at 31 December	800	800	116	114
Comprising				
- assets	6,766	3,171	1,366	129
- liabilities	(5,966)	(2,371)	(1,250)	(15)

2a. Other subsidiaries

The IET has four principal wholly-owned subsidiaries registered outside England & Wales and Scotland to support its charitable activities, details of which are set out below.

IET USA, Inc. is located in Edison, New Jersey; its Federal Identification Number is 76-0563925. The two principal channels of business for IET USA, Inc. are reseller support activity and direct sales of books and journals.

Institution of Engineering and Technology (IET (India)), company registration number U80903KA2007NPL044461, is registered in Bangalore as a not-for-profit company incorporated under section 25 of the Indian Companies Act with charitable objects consistent with those of the IET in the UK. IET (India) carries on volunteer activity in India. IET Services (India) Private Limited (IET Services (India)), company registration number U93000KA2012FTC064117 carries out specific activities, including the sale of IET memberships locally in India.

IET Engineering & Technology (Beijing) Consultancy Ltd (IET (Beijing)), registration number 110000450079713, is registered in China. The business scope of this wholly foreign owned enterprise (WFOE) allows it to perform certain activities on its own account being events and professional registration and training activity, as well as providing consultancy services to the Group in connection with engineering technology. IET uses IETSL to contract such services.

All of these subsidiaries are owned directly by the IET with the exception of IET (Beijing) which is owned by IET Services Limited, itself a directly owned subsidiary of the IET.

The financial results of the IET's principal non-UK subsidiaries for the year were as follows:

	IET USA Inc. £000	IET (India) £000	IET Services (India) £000	IET (Beijing) £000	Total 2022 £000	Total 2021 £000
External income	1,181	-	222	165	1,568	1,979
Intragroup income	948	145	484	760	2,337	1,991
External expenditure	(1,079)	(158)	(569)	(950)	(2,756)	(2,212)
Intragroup expenditure	(827)	-	(64)	-	(891)	(1,248)
Dividend payable	(357)	-	-	-	(357)	(571)
Funds (used by)/retained by the subsidiary	(134)	(13)	73	(25)	(99)	(61)
Net assets	461	172	575	547	1,755	1,774

3. Investment and other income

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Income from equities	1,097	1,435	1,097	1,435
Income from bonds	1,748	1,612	1,748	1,612
Interest received on cash	97	11	64	8
Rent receivable	1,372	1,220	1,372	1,220
Dividend receivable	-	-	387	300
Other income received from subsidiary undertakings	-	-	4,540	2,325
Other income - external	37	322	37	322
	4,351	4,600	9,245	7,222

4. Net income/(expenditure)

This is stated after charging:

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Depreciation	2,766	1,690	2,761	1,687
Foreign exchange losses arising on transactions	158	74	174	50
Payments under operating leases:				
- Land and buildings rents	652	502	508	338
- Other	13	16	10	13
Auditor's remuneration:				
- Statutory Audit	111	81	96	69
- Taxation	25	27	19	22

5. Analysis of total expenditure

Group	Direct costs £000	Grant funding of activities £000	Support costs (Note 5a) £000	Total 2022 £000	Total 2021 £000
Charitable activities					
Education, policy and awareness	5,107	1,019	3,732	9,858	11,407
Knowledge services and solutions	21,456	20	12,499	33,975	31,774
Membership and professional development	10,230	3	10,138	20,371	19,098
Total charitable activities expenditure	36,793	1,042	26,369	64,204	62,279
Fundraising costs	146	-	197	343	360
Trading activities	3,640	23	-	3,663	1,283
Investment management fees	616	-	-	616	610
Total group expenditure	41,195	1,065	26,566	68,826	64,532

IET	Direct costs £000	Grant funding of activities £000	Support costs (Note 5a) £000	Total 2022 £000	Total 2021 £000
Charitable activities					
Education, policy and awareness	5,107	1,019	3,732	9,858	11,407
Knowledge services and solutions	21,374	20	12,499	33,893	31,618
Membership and professional development	9,922	3	10,138	20,063	19,036
Total charitable activities expenditure	36,403	1,042	26,369	63,814	62,061
Fundraising costs	146	-	197	343	360
Investment management fees	616	-	-	616	610
Total charitable expenditure	37,165	1,042	26,566	64,773	63,031

5a. Support costs

Group and IET	Finance & corporate £000	IT £000	Human resources £000	Property & offices £000	Governance £000	Total 2022 £000	Total 2021 £000
Charitable activities							
Education, policy and awareness	1,083	1,342	279	973	55	3,732	3,722
Knowledge services and solutions	3,626	4,493	934	3,260	186	12,499	12,425
Membership and professional development	2,941	3,644	758	2,644	151	10,138	9,739
	7,650	9,479	1,971	6,877	392	26,369	25,886
Fundraising costs	57	71	15	51	3	197	215
Total	7,707	9,550	1,986	6,928	395	26,566	26,101

Administration and accommodation support costs have generally been allocated to charitable activities on a departmental staff headcount basis.

5b. Analysis of grants – Group

	Grant to institution 2022 £000	Grants to individuals 2022 £000	Support costs 2022 £000	Total 2022 £000	Grant to institution 2021 £000	Grants to individuals 2021 £000	Support costs 2021 £000	Total 2021 £000
Education, policy and awareness								
Research	446	-	4	450	320	-	4	324
Scholarships, awards and prizes	-	536	59	595	-	451	52	503
Hardship and financial assistance	-	20	-	20	-	22	-	22
Total	446	556	63	1,065	320	473	56	849

	Grant to institution 2022 Number	Grants to individuals 2022 Number	Support costs 2022 Number	Total 2022 Number	Grant to institution 2021 Number	Grants to individuals 2021 Number	Support costs 2021 Number	Total 2021 Number
Education, policy and awareness								
Research	1	-	-	1	1	-	-	1
Scholarships, awards and prizes	-	926	-	926	-	128	-	128
Hardship and financial assistance	-	68	-	68	-	41	-	41
Total	1	994	-	995	1	169	-	170

5c. Analysis of grants – Charity

	Grant to institution 2022 £000	Grants to individuals 2022 £000	Support costs 2022 £000	Total 2022 £000	Grant to institution 2021 £000	Grants to individuals 2021 £000	Support costs 2021 £000	Total 2021 £000
Education, policy and awareness								
Research	446	-	4	450	320	-	4	324
Scholarships, awards and prizes	-	513	59	572	-	454	52	506
Hardship and financial assistance	-	20	-	20	-	22	-	22
Total	446	533	63	1,042	320	476	56	852

	Grant to institution 2022 Number	Grants to individuals 2022 Number	Support costs 2022 Number	Total 2022 Number	Grant to institution 2021 Number	Grants to individuals 2021 Number	Support costs 2021 Number	Total 2021 Number
Education, policy and awareness								
Research	1	-	-	1	1	-	-	1
Scholarships, awards and prizes	-	900	-	900	-	127	-	127
Hardship and financial assistance	-	68	-	68	-	41	-	41
Total	1	968	-	969	1	168	-	169

The IET Awards programme helps to deliver the IET's vision, by underpinning our mission: to inspire, inform and influence the global engineering community, supporting technology innovation to meet the needs of society.

The programme includes awards for individual excellence, pioneering research, scholarships, travel awards, prizes and competitions. We also recognise the most innovative companies and the best new innovations across the world. All activities are undertaken by the IET directly, apart from research activities which are carried out through grant funding to third parties.

The Grant to Institution during the year represents the IET's A F Harvey Engineering Research Prize which was awarded through the host organisation Heriot-Watt University, Edinburgh, UK. The host organisation in 2021 was the University of California, Los Angeles.

6. Employees

Total employment costs of the Group and IET staff in the year were:

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Payroll costs:				
Salaries and overtime	24,233	23,891	21,527	21,288
Social Security	2,744	2,567	2,398	2,264
Pension and other benefits				
- defined benefit pension schemes	(126)	(5)	(126)	(5)
- defined contribution pension scheme	2,678	2,588	2,543	2,434
- other payments	480	480	378	385
Operating costs of defined benefit schemes	439	398	439	398
Termination payments	249	11	249	11
	30,697	29,930	27,408	26,775

The average monthly number of staff employed by the IET in the year was 571 (2021: 570) and by the Group was 634 (2021: 636), made up as follows:

	Group 2022 Number	Group 2021 Number	Charity 2022 Number	Charity 2021 Number
Charitable activities	601	597	569	567
Trading activities	31	36	-	-
Governance	2	3	2	3
	634	636	571	570

The numbers of employees whose emoluments including taxable benefits in kind and bonuses paid, but excluding pension costs and accrued bonuses, exceeded £60,000 were within the following bands:

	Group 2022 Number	Group 2021 Number	Charity 2022 Number	Charity 2021 Number
£60,000 - £69,999	13	16	12	11
£70,000 - £79,999	17	16	12	16
£80,000 - £89,999	12	13	11	12
£90,000 - £99,999	5	2	4	2
£100,000 - £109,999	-	2	-	1
£110,000 - £119,999	7	1	6	1
£120,000 - £129,999	1	3	-	1
£130,000 - £139,999	1	2	-	2
£140,000 - £149,999	2	-	1	-
£150,000 - £159,999	-	1	-	1
£160,000 - £169,999	2	-	2	-
£170,000 - £179,999	-	1	-	1
£180,000 - £189,999	-	1	-	-
£190,000 - £199,999	1	1	1	1
£210,000 - £219,999	1	-	1	1
£230,000 - £239,999	2	-	1	-
£370,000 - £379,999	-	1	-	1

For the Group, 6 of the above employees (2021: seven) and for the Charity 6 of the above employees (2021: seven) were deferred members of the defined benefit IET Superannuation and Assurance Scheme.

For the Group, 54 of the above employees were members of the IET's defined contribution scheme (2021: 53). For the Group, pension payments in respect of the relevant employees to the defined contribution scheme totalled £623,095 (2021: £636,191).

For the Charity, 50 of the above employees were members of the IET's defined contribution scheme (2021: 49). For the Charity, pension payments in respect of the relevant employees to the defined contribution scheme totalled £591,100 (2021: £596,476).

6a. Remuneration and benefits received by key management personnel

IET considers the key management personnel of the organisation to comprise the Trustees, together with the Chief Executive and Secretary (CES) and other members of the Executive Team who routinely attend Board of Trustees meetings. The aggregate remuneration and benefits of those personnel for services to the Charity and Group in the year amounted to £1,550,051 (2021: £1,580,327). In addition, employer's national insurance contributions were £167,503 (2021: £170,410). Of these amounts £nil (2021: £nil) related to the Trustees.

The combined emoluments for the two staff members employed in the CES role during the year, including benefits in kind, amounted to £300,608 in the year (2021: £372,575), including payments in lieu of pension contributions. The current CES is a member of IET's defined contribution pension scheme. Employer's pension contributions to this scheme for the CES in the year were £11,501. In arriving at the figure for total CES emoluments, the current CEO's bonus for the year has been split between his time working as a member of the Executive team and his time working as the CES.

During the year, travelling and subsistence expenses totalling £52,956 were incurred by 9 members of the Executive Team considered key management personnel on behalf of the IET (2021: £3,280 by six members of the Executive Team).

7. Tangible fixed assets – Group

	Long Leasehold buildings £000	Freehold building - Futures Place £000	Mechanical and Electrical Installations £000	Furniture, fittings and equipment £000	Computers and Electronic Equipment £000	Total £000
Cost						
At 1 January 2022	16,902	21,160	12,538	3,426	3,883	57,909
Additions	-	-	23	1,527	1,847	3,397
Transfers	-	(9,040)	8,617	423	-	-
At 31 December 2022	16,902	12,120	21,178	5,376	5,730	61,306
Accumulated Depreciation:						
At 1 January 2022	2,686	3,573	4,877	2,039	3,565	16,740
Depreciation for the year	340	203	1,315	405	503	2,766
At 31 December 2022	3,026	3,776	6,192	2,444	4,068	19,506
Net book value:						
At 31 December 2022	13,876	8,344	14,986	2,932	1,662	41,800
At 31 December 2021	14,216	17,587	7,661	1,387	318	41,169

7a. Tangible fixed assets – IET

	Long Leasehold buildings £000	Freehold building - Futures Place £000	Mechanical and Electrical Installations £000	Furniture, fittings and equipment £000	Computers and Electronic Equipment £000	Total £000
Cost:						
At 1 January 2022	16,902	21,160	12,538	3,358	3,883	57,841
Additions	-	-	23	1,519	1,847	3,389
Transfers	-	(9,040)	8,617	423	-	-
At 31 December 2022	16,902	12,120	21,178	5,300	5,730	61,230
Accumulated Depreciation:						
At 1 January 2022	2,686	3,573	4,877	1,980	3,565	16,681
Depreciation for the year	340	203	1,315	400	503	2,761
At 31 December 2022	3,026	3,776	6,192	2,380	4,068	19,442
Net book value:						
At 31 December 2022	13,876	8,344	14,986	2,920	1,662	41,788
At 31 December 2021	14,216	17,587	7,661	1,378	318	41,160

At 31 December 2021, the asset category 'Freehold building – Futures Place' (see table above) included £14.7m of capital work-in-progress in respect of this building, formerly known as Michael Faraday House. In 2022 the refurbishment project was completed, with a further £3.1m recognised as capital expenditure. The total of £17.8m has been allocated to the appropriate respective asset classes in 2022 and depreciation commenced as at 1 March 2022.

Heritage assets

The IET Library and Archives was founded in 1880, and houses around 6 linear kilometres of books, journals, archive collections, audio-visual material and heritage objects (including paintings and sculpture) which date from the late 14th century to the present day. This collection was awarded Designated Status in 2006 (the scheme is now managed by the Arts Council) in recognition of its national and international importance. The core collection is stored in the IET's London headquarters at Savoy Place, with the remainder of the collection stored offsite in heritage quality storage.

The collection is managed by professional staff, with expert conservation advice from the National Conservation Service. The archives and rare books are housed in purpose-built storage in Savoy Hill House, which also includes a reading room for researchers. Online catalogues for both the Library and Archives can be found on the IET website at theiet.org/library/.

The Library's Knowledge Centre at Savoy Place reopened to visitors in May 2021, while maintaining remote access to the digital collections at theiet.org/publishing/library-archives/the-virtual-library/.

8. Investments – Group

	Non-property investments £000	Investment property £000	Total £000
At 1 January 2022	131,824	21,608	153,432
Acquisitions at Cost	19,336	-	19,336
Proceeds from Sale of Investments	(25,336)	-	(25,336)
Increase in Current Asset Investments	533	-	533
Net Investment Losses	(12,652)	(2,032)	(14,684)
Adjustment to carrying value of joint venture	1,258	-	1,258
At 31 December 2022	114,963	19,576	134,539
Finance lease relating to investment property (Notes 10 and 11)	-	(2,376)	(2,376)
Total net investments	114,963	17,200	132,163
Historical Cost at 31 December 2022	112,049	7,227	119,276
Unrealised Gains	2,914	9,973	12,887
Realised Gains based on historic cost	3,387	-	3,387

8a. Investments – IET

	Non-property investments £000	Investment property £000	Investments held at cost £000	Total £000
At 1 January 2022	131,715	21,608	1,061	154,384
Acquisitions at Cost	19,336	-	-	19,336
Proceeds from Sale of Investments	(25,336)	-	-	(25,336)
Increase in Current Asset Investments	533	-	-	533
Net Investment Losses	(12,652)	(2,032)	-	(14,684)
At 31 December 2022	113,596	19,576	1,061	134,233
Finance lease relating to investment property (Notes 10 and 11)	-	(2,376)	-	(2,376)
Total net investments	113,596	17,200	1,061	131,857
Historical Cost at 31 December 2022	111,947	7,227	1,061	120,235
Unrealised Gains	1,649	9,973	-	11,622
Realised Gains based on historic cost	3,387	-	-	3,387

The Investment Property for both the Group and the IET (Savoy Hill House) was valued as at 31 December 2022 by RICS Registered Valuers from Avison Young. The Valuers are not employees or officers of the IET. The valuation has been undertaken in accordance with the *RICS Valuation – Global Standards 2020* ("the Red Book") and has been valued on the basis of Fair Value. The Investment Property is accounted for as a finance lease. Lease payments are contingent on estimated rental value. The lease that the IET has with its landlord for Savoy Hill House is currently under rent review. Such reviews occur formally every five years.

8b. Analysis of Investments

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Fixed asset investments				
Investment property	19,576	21,608	19,576	21,608
Other fixed asset investments				
Investments in subsidiary undertakings	-	-	1,061	1,061
Investments in joint ventures	1,367	109	-	-
Listed investments:				
- Equities	53,846	61,621	53,846	61,621
- Bonds	36,283	40,589	36,283	40,589
- Mixed Fund	15,547	24,111	15,547	24,111
Private Markets	2,788	1,408	2,788	1,408
Cash	613	-	613	-
Other fixed asset investments	110,444	127,838	110,138	128,790
Total fixed asset investments	130,020	149,446	129,714	150,398
Current asset investments				
Cash held as part of the fixed asset investment portfolio	4,519	3,986	4,519	3,986
Total current asset investments	4,519	3,986	4,519	3,986
Total investments	134,539	153,432	134,233	154,384
	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
UK	41,965	50,889	41,398	51,580
Non-UK	92,574	102,543	92,835	102,804
	134,539	153,432	134,233	154,384

The IET has committed funds of £13,000,000 (2021: £10,000,000) to Private Markets of which £2,153,000 (2021: £768,000) has been called upon for investment at the year-end date.

Investments are primarily held to provide investment return to the Charity. The Trustees reviewed the investments in subsidiary undertakings and joint ventures as at 31 December 2022 and considered that no change in their carrying value was required.

Cash held as part of the fixed asset investment portfolio and classified as a current asset investment is expected to be drawn down for operational purposes in the next financial year.

9. Debtors: Amounts falling due within one year

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Trade debtors	3,683	3,483	2,157	2,588
Other debtors	438	1,255	131	1,063
Accrued income	5,288	4,441	5,206	4,362
Payments in advance	2,367	1,979	2,152	1,815
Amounts due from subsidiaries	-	-	4,854	928
	11,776	11,158	14,500	10,756

Included within 'Amounts due from subsidiaries' of the charity is a loan of £300,000 (2021: £300,000) from IET to IET Services Limited. The loan has no specified repayment date and carries interest at 1% above the UK bank base rate. The loan is secured by way of a fixed charge debenture over the assets of IET Services Limited.

10. Creditors: Amounts falling due within one year

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Accruals for grants payable	839	1,087	839	1,087
Trade creditors	2,051	1,536	1,862	1,390
Obligations under finance leases	97	97	97	97
Taxation and NI costs	748	878	660	744
Other creditors	1,011	1,101	994	1,086
Accruals	5,902	6,733	4,710	5,907
Amounts received in advance	10,656	10,390	9,287	9,605
Amounts due to subsidiaries	-	-	221	175
	21,304	21,822	18,670	20,091

'Amounts received in advance' represent income from subscriptions relating to future periods. Substantially all of the receipts in advance as at 31 December 2021 were released to the Statement of Financial Activities in the year ended 31 December 2022. Accruals include termination payments of £50,947 (2021: £13,225).

When members pay IET membership fees, the IET may also collect fees and/or donations on behalf of third parties and subsequently pass those amounts on to those entities. The funds received as an agent, paid across to the entities during the year end and balances held at the beginning and end of the year (included in Other creditors) are as follows:

	Group and Charity 2022 £000	Group and Charity 2021 £000
Funds held as at 1 January	715	548
Funds received in year	2,305	2,298
Funds transferred to third parties	(2,549)	(2,131)
Funds held at 31 December	471	715

11. Creditors: Amounts falling due after more than one year

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Accruals for grants payable	1,195	1,245	1,195	1,245
Obligations under finance leases:				
- later than one year and not later than five years	350	350	350	350
- later than five years	1,929	1,931	1,929	1,931
	3,474	3,526	3,474	3,526

12. Commitments

The total of future minimum lease payments under non-cancellable operating leases as at 31 December for the Group and Charity are as follows:

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Land and buildings, expiry date:				
- within one year	228	34	186	-
- between two and five years	573	1,096	372	827
- after five years	19,733	19,604	19,733	19,604
	20,534	20,734	20,291	20,431
Vehicles and equipment, expiry date:				
- within one year	3	-	3	-
- between two and five years	18	21	7	8
	21	21	10	8

The total of future minimum lease payments in respect of finance leases for the Group and Charity are as disclosed in Notes 10 and 11 - 'Obligations under finance leases'. The obligations relate to a lease that expires in the 'later than five years' category.

Land and buildings with leases that expire after five years comprises solely of a long lease for Savoy Place which expires in 2121. The present value of the minimum lease payments for this lease are estimated at 31 December 2022 to be £3,259,219 (31 December 2021: £10,582,000). The present value at 31 December 2022 is based on a discount factor of 3.5% (2021: 1%) which reflects current long term gilt yield estimates.

13. Trustees and related party transactions

During the year, travelling and subsistence expenses totalling £84,567 were incurred by 20 Trustees on behalf of the IET (2021: £4,022 by four Trustees). None of the Trustees, or persons connected with them, received remuneration for any service to the IET this year or last year.

The Institution of Engineering and Technology Benevolent Fund (known as "Foothold") provide benevolent services to IET members and staff. Professor Kate Sugden (Trustee from 1 October 2020) became a trustee of Foothold on 1 October 2020. The IET had amounts receivable from Foothold in 2022 of £314,377 (2021: £525,123) principally relating to staff related costs, travel, and subscriptions to outside bodies and £692 (2021: £Nil) relating to IET group memberships. Amounts receivable of £37,909 were outstanding at 31 December 2022 (31 December 2021: £111,227).

The IET had amounts payable to Foothold in 2022 of £450,320 (2021: £389,305) relating to donations collected on behalf of Foothold and £Nil (2021: £170) relating to IET group memberships. There were amounts payable of £42,437 at 31 December 2022 (31 December 2021: £32,758).

The IET has the following related party transactions with its Group entities:

Entity	Relationship	Ownership	Income 2022 £000	Expenditure 2022 £000	Debtor/ (creditor) at 31 Dec 2022 £000	Income 2021 £000	Expenditure 2021 £000	Debtor/ (creditor) at 31 Dec 2021 £000
IET Services Limited	Subsidiary	100%	6,730	(4,338)	3,598	5,751	(4,058)	887
IEE Conventions Limited	Subsidiary	100%	2,476	-	1,234	-	(2)	(20)
IET USA, Inc.	Subsidiary	100%	1,214	(948)	(55)	1,203	(822)	(31)
IET (India)	Subsidiary	100%	-	(145)	(87)	-	(99)	(22)
IET Services (India)	Subsidiary	100%	51	(484)	(79)	45	(439)	(111)
IET Solutions (India)	Subsidiary	100%	-	(25)	9	-	(2)	-
IET (Beijing)	Subsidiary	100%	13	-	13	7	-	7
IET (Canada)	Subsidiary	100%	-	(13)	-	-	(2)	-
Institution of Engineering and Technology, USA	Subsidiary	100%	-	(8)	-	-	(7)	-
IBC Partnership	Associate	34%	-	-	-	-	-	-

The IET is the immediate parent (except for IET (Beijing) whose immediate parent is IET Services Limited) and ultimate controlling party for the subsidiary entities listed above and these financial statements are publicly available.

IET Services Limited had amounts payable to IET (Beijing) during the year of £757,000 (2021: £631,000) in respect of business support services provided. An amount payable of £116,000 was outstanding at 31 December 2022 (31 December 2021: £86,000).

IEE Conventions Ltd has a debtor with its joint venture, IBC Partnership, at 31 December 2022 of £1,258,000 relating to its share of Partnership profits (31 December 2021: £1,000 relating to its share of Partnership profits). The share of net profits in the year in respect of the IBC Partnership was £2,483,000 (2021: net loss of £2,000).

The intercompany balance with IET Services Limited includes an amount due to the IET in the current and prior year of £300,000. This amount represents the loan related to a Publishing Agreement that can be terminated by either party by giving not less than six months' notice. The loan carries interest at 1 per cent above UK Bank Base Rate per annum. The loan is secured by way of a fixed charge debenture. Except for this loan balance, all other intercompany balances between Group entities are unsecured and repayable under standard credit terms for consideration in cash.

IET Services Limited has four employees (2021: four) who were members of IET's defined benefit pension scheme, 'The IET Superannuation and Assurance Scheme' (IET SAS) from 1 October 2007 until its closure to future accrual on 31 March 2012. The directors of IET Services Limited consider that there is insufficient information to account for the Scheme as a Defined Benefit Scheme in its own accounts, in particular as separate contribution rates were not identified for the participating employers of the scheme. As such the Scheme is accounted for on a Defined Contribution basis in the accounts of IET Services Limited. The FRS 102 surplus of IET SAS at 31 December 2022 as calculated by the Scheme Actuary is £4,062,000 (2021: surplus of £6,213,000), full details of which are set out in Note 15. A recovery plan has been agreed between the principal employer, The IET, and the Scheme Trustees in respect of the deficit calculated based on the position at 31 March 2020, the date of the most recent triennial actuarial valuation. IET Services Limited's contribution into this Scheme during 2022 was nil (2021: nil).

14. Reserves

General Funds

The **General Funds** of the charity represent those unrestricted funds of the charity which have not been designated for a particular purpose by the Trustees. An appropriate level of reserves is required by the IET to manage contingencies and risk and thereby protect the continuity of its activities. The general funds are managed over the long term by reference to the key risks identified for the IET; currently including business continuity, investment volatility and pension liabilities. This target-based approach is described in the Reserves Policy in the Financial Review section of the Report of the Trustees.

Designated Funds

The **Fixed Assets Reserve** represents the net book value of tangible fixed assets.

The **Invested Building Redemption Reserve** has been set up to provide the future funds required to rebuild or replace Austin Court and to provide a sum of money to refurbish Savoy Place. It also includes the estimated current cost of refurbishing Futures Place (the building previously known as Michael Faraday House). These outflows are expected to occur as assets reach the end of their respective estimated useful lives

The **Development and New Initiatives Reserve** has been established to fund those projects which have been approved to be undertaken and is also to underwrite new revenue-generating activities to supplement the income from existing activities during the period 2023-2026 as set out in the IET's Corporate Plan.

The results of the FRS 102 valuation in respect of the IET's defined benefit pension schemes are disclosed in more detail in Note 15. The net pension scheme asset is disclosed under **The Pension Scheme Funding Reserve**.

Accumulated Funds are in connection with the IET's subsidiary companies and represent amounts retained by those companies. Dividends are paid from time to time as allowed by local jurisdictions.

Restricted Funds

The **Trust Funds** have been established to receive donations and bequests which are restricted by the donor to the support of certain activities. These funds typically support scholarships, awards, prizes and research.

Trust Funds are managed alongside the IET's unrestricted investment portfolio and are shown at fair value at 31 December 2022.

The **Dr A F Harvey Fund** is a part of the IET Benefactors Trust Fund but is shown separately because of its significance. Dr Harvey, an IET member, bequeathed a generous sum of money to the IET for a Trust Fund to be set up in his name after his death. The terms of the Trust specify that the money is to be used for the furtherance of scientific research into the fields of medical, microwave and radar, or laser engineering. The Board of Trustees agreed that the available funds would be used to offer an annual research prize in one of these research fields each year, covering them all over a three-year cycle.

The **Impact Engineering Fund** represents monies that have been donated to the IET for various specific purposes.

A number of these funds are also linked charities. The most significant linked charity by size is the IET Benefactors Trust Fund which is the IET's principal Restricted Fund and was established for such charitable purposes connected with the Institution or connected with the advancement of education in electrical engineering generally including the establishment and award of scholarships, fellowships, lectureships, competitions, prizes and awards. It is shown separately on the basis of materiality.

The largest of the other linked charities is the Lord Hirst Fund which provides financial support to engineers in financial need, with funds at 31 December 2022 of £499,000 (31 December 2021: £553,000). The full list of linked charities is provided in Note 14a.

In addition, the Janet Firmin Memorial Fund had funds of £692,000 as at 31 December 2022 (31 December 2021: £742,000). The Fund is not a linked charity.

Government Grants: The IET has signed Grant Agreements with Science Foundation Ireland. See Note 14d for further details.

Transfers between Funds

Transfers between Unrestricted Funds represent specific designations agreed by the Trustees and which Designations are to be applied to those purposes.

14a. Linked Charities

The IET Linked Charities that hold a value in Trust Funds within the Restricted Funds are as follows:

Permanent endowments - Other Trust Funds

Linked Charity Name	Registration Number
Wilde Benevolent Trust Fund	211014-1
The Institution Prize for Women	211014-3
William Beedie Esson Scholarship	211014-6
Will Geipel Scholarship	211014-7
Goldup Prize Fund	211014-8
Percy Hudswell Fund	211014-9
David Hughes Scholarship	211014-10
I M E A Scholarship Fund	211014-12
J D Knight and E D Knight	211014-13
Sir Edward Manville Scholarship Fund	211014-15
O'Gorman Memorial Fund	211014-18
The Page Prize	211014-19
Sir Charles A Parsons Memorial Scholarship	211014-20
Paul Scholarship	211014-21
John S Robinson Memorial Fund	211014-22
Salomons Scholarship	211014-23
Swan Memorial Scholarship Fund	211014-24
Thorowgood Scholarship	211014-25
War Thanksgiving Education and Research Fund No 1	211014-26
Lord Hirst Fund	211014-31
The Joseph William Beauchamp Scholarships	211014-32
The Caroline Haslett Memorial Trust	211014-34

Expendable endowments – IET Benefactors Trust Fund:

Linked Charity Name	Registration Number
IET Benefactors Trust Fund	211014-14
The Institution of Electrical Engineers Manufacturing Education Trust	211014-30

Expendable endowments – Other Trust Funds

Linked Charity Name	Registration Number
J R Beard Travelling Fund	211014-4
Blumlein-Browne-Willans Premium Fund	211014-5
Hunter Memorial Lecture Fund	211014-11
Henry Nimmo Premium Fund	211014-16
Leslie H Paddle Scholarship Fund	211014-27

14b. Reserves and Restricted Funds

Group – Year ended 31 December 2022

	Balance at 1 January 2022 £000	Net Income/ (Expenditure) £000	Other recognised (losses)/gains £000	Transfers £000	Balance at 31 December 2022 £000
Total General Funds	102,838	(7,088)	81	(4,319)	91,512
Designated Funds					
Fixed Assets Reserve	41,169	(2,766)	-	3,397	41,800
Invested Building Redemption Reserve	10,701	-	-	555	11,256
Development and New Initiatives Reserve	15,900	(3,179)	-	(821)	11,900
IEECL Accumulated Fund	116	-	-	-	116
IET India Accumulated Fund	113	(12)	-	-	101
IET Services (India) Accumulated Fund	495	75	-	-	570
IET USA, Inc. Accumulated Fund	353	(74)	-	-	279
IET (Beijing) Accumulated Fund	357	(9)	-	-	348
Total Designated Funds	69,204	(5,965)	-	3,131	66,370
Total Unrestricted Funds Before Pension Asset	172,042	(13,053)	81	(1,188)	157,882
Pension Scheme Funding Reserve	6,213	126	(3,465)	1,188	4,062
Total Unrestricted Funds After Pension Asset	178,255	(12,927)	(3,384)	-	161,944
Permanent Endowment Funds					
Other Trust Funds	2,423	(180)	-	-	2,243
Expendable Endowment Funds					
IET Benefactors Trust Fund	6,974	(1,205)	-	-	5,769
Dr A F Harvey Fund	6,812	(1,175)	-	-	5,637
Other Trust Funds	519	(73)	-	-	446
Total Expendable Endowment	14,305	(2,453)	-	-	11,852
Total Endowment Funds	16,728	(2,633)	-	-	14,095
Restricted Income Funds					
Impact Engineering Funds	790	(333)	-	-	457
Other Trust Funds	382	(52)	-	-	330
Total Restricted Income Funds	1,172	(385)	-	-	787
Restricted Funds	17,900	(3,018)	-	-	14,882
Total Group Funds	196,155	(15,945)	(3,384)	-	176,826

14b. Reserves and Restricted Funds (continued)

Group – Year ended 31 December 2021

	Balance at 1 January 2021 £000	Net Income/ (Expenditure) £000	Other recognised gains £000	Transfers £000	Balance at 31 December 2021 £000
Total General Funds	98,130	14,625	22	(9,939)	102,838
Designated Funds					
Fixed Assets Reserve	28,584	(1,690)	-	14,275	41,169
Invested Building Redemption Reserve	27,223	(3,601)	-	(12,921)	10,701
Development and New Initiatives Reserve	14,800	(6,297)	-	7,397	15,900
IEECL Accumulated Fund	116	-	-	-	116
IET India Accumulated Fund	101	12	-	-	113
IET Services (India) Accumulated Fund	427	68	-	-	495
IET USA, Inc. Accumulated Fund	307	46	-	-	353
IET (Beijing) Accumulated Fund	520	(163)	-	-	357
Total Designated Funds	72,078	(11,625)	-	8,751	69,204
Total Unrestricted Funds Before Pension (Liability)/Asset					
	170,208	3,000	22	(1,188)	172,042
Pension Scheme Funding Reserve	(164)	5	5,184	1,188	6,213
Total Unrestricted Funds After Pension (Liability)/Asset	170,044	3,005	5,206	-	178,255
Permanent Endowment Funds					
Other Trust Funds	2,131	292	-	-	2,423
Expendable Endowment Funds					
IET Benefactors Trust Fund	6,560	414	-	-	6,974
Dr A F Harvey Fund	6,109	703	-	-	6,812
Other Trust Funds	478	41	-	-	519
Total Expendable Endowment	13,147	1,158	-	-	14,305
Total Endowment Funds	15,278	1,450	-	-	16,728
Restricted Income Funds					
Impact Engineering Funds	487	303	-	-	790
Other Trust Funds	362	20	-	-	382
Total Restricted Income Funds	849	323	-	-	1,172
Other Restricted Funds	127	(127)	-	-	-
Restricted Funds	16,254	1,646	-	-	17,900
Total Group Funds	186,298	4,651	5,206	-	196,155

14b. Reserves and Restricted Funds (continued)

Charity – Year ended 31 December 2022

	Balance at 1 January 2022 £000	Net Income/ (Expenditure) £000	Other recognised losses £000	Transfers £000	Balance at 31 December 2022 £000
Total General Funds	103,104	(7,008)	-	(4,311)	91,785
Designated Funds					
Fixed Assets Reserve	41,160	(2,761)	-	3,389	41,788
Invested Building Redemption Reserve	10,701	-	-	555	11,256
Development and New Initiatives Reserve	15,900	(3,179)	-	(821)	11,900
Total Designated Funds	67,761	(5,940)	-	3,123	64,944
Total Unrestricted Funds Before Pension Asset	170,865	(12,948)	-	(1,188)	156,729
Pension Scheme Funding Reserve	6,213	126	(3,465)	1,188	4,062
Total Unrestricted Funds After Pension Asset	177,078	(12,822)	(3,465)	-	160,791
Permanent Endowment Funds					
Other Trust Funds	2,423	(180)	-	-	2,243
Expendable Endowment Funds					
IET Benefactors Trust Fund	6,974	(1,205)	-	-	5,769
Dr A F Harvey Fund	6,812	(1,175)	-	-	5,637
Other Trust Funds	519	(73)	-	-	446
Total Expendable Endowment	14,305	(2,453)	-	-	11,852
Total Endowment Funds	16,728	(2,633)	-	-	14,095
Restricted Income Funds					
Impact Engineering Funds	790	(333)	-	-	457
Other Trust Funds	382	(52)	-	-	330
Total Restricted Income Funds	1,172	(385)	-	-	787
Restricted Funds	17,900	(3,018)	-	-	14,882
Total Charity Funds	194,978	(15,840)	(3,465)	-	175,673

14b. Reserves and Restricted Funds (continued)

Charity – Year ended 31 December 2021

	Balance at 1 January 2021 £000	Net Income/ (Expenditure) £000	Other recognised gains £000	Transfers £000	Balance at 31 December 2021 £000
Total General Funds	98,403	14,634	-	(9,933)	103,104
Designated Funds					
Fixed Assets Reserve	28,578	(1,687)	-	14,269	41,160
Invested Building Redemption Reserve	27,223	(3,601)	-	(12,921)	10,701
Development and New Initiatives Reserve	14,800	(6,297)	-	7,397	15,900
Total Designated Funds	70,601	(11,585)	-	8,745	67,761
Total Unrestricted Funds Before Pension (Liability)/Asset	169,004	3,049	-	(1,188)	170,865
Pension Scheme Funding Reserve	(164)	5	5,184	1,188	6,213
Total Unrestricted Funds After Pension (Liability)/Asset	168,840	3,054	5,184	-	177,078
Permanent Endowment Funds					
Other Trust Funds	2,131	292	-	-	2,423
Expendable Endowment Funds					
IET Benefactors Trust Fund	6,560	414	-	-	6,974
Dr A F Harvey Fund	6,109	703	-	-	6,812
Other Trust Funds	478	41	-	-	519
Total Expendable Endowment	13,147	1,158	-	-	14,305
Total Endowment Funds	15,278	1,450	-	-	16,728
Restricted Income Funds					
Impact Engineering Funds	487	303	-	-	790
Other Trust Funds	362	20	-	-	382
Total Restricted Income Funds	849	323	-	-	1,172
Other Restricted Funds	127	(127)	-	-	-
Restricted Funds	16,254	1,646	-	-	17,900
Total Charity Funds	185,094	4,700	5,184	-	194,978

14c. Restricted Funds Analysis

Group and Charity 2022

	Balance at 1 January 2022 £000	Income £000	Expenditure £000	Investment losses £000	Transfers £000	Balance at 31 December 2022 £000
Permanent Endowment Funds						
Other Trust Funds	2,423	-	-	(180)	-	2,243
Expendable Endowment Funds						
IET Benefactors Trust Fund	6,974	187	(537)	(855)	-	5,769
Dr A F Harvey Fund	6,812	193	(475)	(893)	-	5,637
Other Trust Funds	519	13	(27)	(59)	-	446
Total Expendable Endowment	14,305	393	(1,039)	(1,807)	-	11,852
Total Endowment Funds	16,728	393	(1,039)	(1,987)	-	14,095
Restricted Income Funds						
Impact Engineering Funds	790	553	(886)	-	-	457
Other Trust Funds	382	41	(64)	(29)	-	330
Total Restricted Income Funds	1,172	594	(950)	(29)	-	787
Restricted Funds	17,900	987	(1,989)	(2,016)	-	14,882

Group and Charity 2021

	Balance at 1 January 2021 £000	Income £000	Expenditure £000	Investment Gains £000	Transfers £000	Balance at 31 December 2021 £000
Permanent Endowment Funds						
Other Trust Funds	2,131	33	-	259	-	2,423
Expendable Endowment Funds						
IET Benefactors Trust Fund	6,560	188	(589)	815	-	6,974
Dr A F Harvey Fund	6,109	196	(352)	859	-	6,812
Other Trust Funds	478	13	(29)	57	-	519
Total Expendable Endowment	13,147	397	(970)	1,731	-	14,305
Total Endowment Funds	15,278	430	(970)	1,990	-	16,728
Restricted Income Funds						
Impact Engineering Funds	487	717	(414)	-	-	790
Other Trust Funds	362	45	(65)	40	-	382
Total Restricted Income Funds	849	762	(479)	40	-	1,172
Other Restricted Funds	127	781	(908)	-	-	-
Restricted Funds	16,254	1,973	(2,357)	2,030	-	17,900

14d. Government Grants

Impact Engineering Funds includes grants from Science Foundation Ireland, details of which are set out below.

Science Foundation Ireland

The following information is set out in accordance with the requirements of the funder.

The principal terms of the Grant are:

Grantor: Science Foundation Ireland ("SFI"). SFI is an agency of the Department of Further and Higher Education, Research, Innovation and Science.

Programme: Discover Programme Call

Project Title: Igniting Curiosity in STEM: IET *FIRST*® LEGO® League

Purpose: IET *FIRST*® LEGO® League. This is a STEM programme which inspires children and young people from the ages of 4-16.

Grant #1: €299,300 - 24 months commencing 1/1/2021

Grant #2: €293,090 - 24 months commencing 1/1/2023

Confirmation statement: The IET has adequate financial control systems in place to monitor granted funds. The State's investment is protected and will not be used as security for any other activity without prior consultation with the Foundation.

Transactions in the year were as follows:

Description	Grant #1 £'000	Grant #2* £'000
Balance @ 1 January 2022	153	-
Income	-	-
Expenditure	(109)	-
Balance @ 31 December 2022	44	-

*cash received of €147,933 (£127,694) in December 2022 was deferred until the grant commencement date of 1 January 2023

14e. Analysis of Group Net Assets Between Funds

31 December 2022

	Unrestricted funds 2022 £000	Restricted and endowment funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	41,800	-	41,800
Fixed asset investments	111,453	18,567	130,020
Current assets	25,334	388	25,722
Current liabilities	(18,430)	(2,874)	(21,304)
Long term creditors	(2,275)	(1,199)	(3,474)
Pension scheme asset	4,062	-	4,062
	161,944	14,882	176,826

31 December 2021

	Unrestricted funds 2021 £000	Restricted and endowment funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	41,169	-	41,169
Fixed asset investments	128,847	20,599	149,446
Current assets	24,675	-	24,675
Current liabilities	(20,366)	(1,456)	(21,822)
Long term creditors	(2,283)	(1,243)	(3,526)
Pension scheme asset	6,213	-	6,213
	178,255	17,900	196,155

14f. Analysis of IET Net Assets Between Funds

31 December 2022

	Unrestricted funds 2022 £000	Restricted and endowment funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	41,788	-	41,788
Fixed asset investments	111,147	18,567	129,714
Current assets	21,865	388	22,253
Current liabilities	(15,796)	(2,874)	(18,670)
Long term creditors	(2,275)	(1,199)	(3,474)
Pension scheme asset	4,062	-	4,062
	160,791	14,882	175,673

31 December 2021

	Unrestricted funds 2021 £000	Restricted and endowment funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	41,160	-	41,160
Fixed asset investments	129,799	20,599	150,398
Current assets	20,824	-	20,824
Current liabilities	(18,635)	(1,456)	(20,091)
Long term creditors	(2,283)	(1,243)	(3,526)
Pension scheme asset	6,213	-	6,213
	177,078	17,900	194,978



15. Pension Schemes

15a. Defined Benefit Schemes

The IET operated one defined benefit pension scheme during the year, The IET Superannuation and Assurance Scheme (IET SAS) and which is closed to new entrants and to future accrual. The scheme is subject to triennial valuations by independent actuaries using the projected units method.

For the purposes of these financial statements the actuary carried out FRS 102 valuations for the scheme for the year ended 31 December 2022.

The scheme is administered through a trust, which is independent of the IET, by Trustees who are appointed by IET and member-nominated Trustees. The figures below exclude the pension expenses or employees of Foothold, a separate charity organisation that also participates in the defined benefit scheme.

The most recent triennial valuation was carried out as at 31 March 2020.

Contributions under the current Recovery Plan are £99,000 per month. The next triennial valuation is at an effective date of 31 March 2023.

Assumptions

The tables set out below state the assumptions upon which the valuations of the Scheme was based.

	IET SAS 2022 % pa	IET SAS 2021 % pa
Price inflation (RPI)	3.25	3.45
Price inflation (CPI)	2.55	2.70
Pension increase rate LP15	3.15	3.30
Discount rate	4.75	1.85

The mortality assumptions adopted imply the following life expectancies from age 60:

	IET SAS 2022	IET SAS 2021
Member age 60 – male (current life expectancy)	27.8	28.0
Member age 60 – female (current life expectancy)	29.7	29.8
Member age 40 – male (future pensioner)	29.0	29.2
Member age 40 – female (future pensioner)	30.9	31.0

Analysis of the amounts credited/(charged) to Statement of Financial Activities

	2022 £000	2021 £000
Net interest credit on net defined benefit liability	126	5
Net amount credited to Statement of Financial Activities	126	5

	2022 £000	2021 £000
Actual return on assets excluding amounts included in net interest	(58,217)	1,367
Actuarial gains arising on scheme liabilities	54,752	3,817
Actuarial (losses)/gains charged to the Statement of Financial Activities	(3,465)	5,184

Analysis of the amounts recognised in the Balance Sheet

Changes to fair value of scheme assets	2022 £000	2021 £000
Opening fair value of scheme assets	172,995	173,033
Interest income	3,165	2,141
Contributions by employer	1,188	1,188
Benefits paid	(5,122)	(4,734)
Return on Scheme assets excluding interest income	(58,217)	1,367
Closing fair value of scheme assets	114,009	172,995

Changes to present value of benefit obligations	2022 £000	2021 £000
Opening present value of benefit obligations	166,782	173,197
Interest costs	3,039	2,136
Benefits paid	(5,122)	(4,734)
Actuarial gains	(54,752)	(3,817)
Closing present value of benefit obligations	109,947	166,782

	2022 £000	2021 £000
Fair value of scheme assets	114,009	172,995
Present value of benefit obligations	(109,947)	(166,782)
Net surplus	4,062	6,213



Fund assets

The major categories of plan assets as a percentage of total plan assets are as follows:

	2022 £000	2022 %	2021 £000	2021 %
UK Equities	56	0.1	351	0.2
Overseas Equities	2,368	2.1	15,397	8.9
Debt Securities - Government	45,965	40.3	67,446	39.0
Diversified Growth Funds	10,725	9.4	13,753	7.9
Insurance contracts	50,448	44.2	71,618	41.4
Aviva DAF Fund	4,361	3.8	4,106	2.4
Cash and cash equivalents	86	0.1	324	0.2
	114,009	100.0	172,995	100.0

None of the fair values of the assets shown include any of the IET's own financial instruments or any property occupied by, or other assets used by, the IET.

Sensitivity analysis

The calculation of the IET SAS defined benefit obligation is sensitive to the assumptions set out above. The table set out below shows the impact on the value of the benefit obligation as at 31 December 2022 of a change in assumptions:

	Actuarial value of liabilities at 31 December 2022 £000
Base Case	109,947
-0.5% decrease in discount rate	116,922
1 year increase in member life expectation	114,294
+0.5% change in inflation	114,648

15b. Defined Contribution Schemes

Both the IET and employees make contributions towards the IET's defined contribution stakeholder pension arrangement. At 31 December 2022, 564 Group employees were members of the scheme (31 December 2021: 548). The total employer contributions paid to this scheme during the year amounted to £2,678,000 (2021: £2,588,000).

The pension charge for the year to 31 December 2022 for all schemes (including the defined benefit pension scheme) was £2,552,000 (2021: £2,583,000).

Legal and administrative information

The Institution of Engineering and Technology (IET) is registered with the Charity Commission for England and Wales under charity number 211014 and the Office of the Scottish Charity Regulator under charity number SC038698.

Principal Office

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Trustees

Members of the Board of Trustees at the date the report was approved:

Dr Bickramjit Bhangu
Professor Bob Cryan
Professor Tim Dafforn (appointed 1 October 2022)
Mrs Katy Deacon
Ms Anni Feng (appointed 1 October 2022)
Dr Andrew Harter
Ms Samantha Hubbard (appointed 1 October 2022)
Ms Rachel Hurst
Ms Abbie Hutty
Dr Gopichand Katragadda
Eur Ing Dr Carol Marsh (appointed 1 October 2022)
Dr Ronjon Nag (appointed 1 October 2022)
Professor Paul Needham
Professor Sarah Spurgeon
Professor Kate Sugden
Sir Julian Young

Other Trustees who served during the period of the report:

Miss Yewande Akinola (retired 30 September 2022)
Dr Ian Belger (retired 30 September 2022)
Professor Phil Blythe (retired 30 September 2022)
Professor Danielle George (retired 30 September 2022)
Ms Dawn Ohlson (retired 30 September 2022)

Executive Team

Mr Ed Almond
(Chief Executive and Secretary)
Ms Toni Allen
(Director of International Strategic Marketing and Engagement)
Mr David Bunyan
(Director of Finance and Planning)
Mr Richard Best
(Director of IT and Digital Services)
Ms Morna Dason-Barber
(Director Human Resources)
Mr Chris Knibb
(Director of Governance and External Engagement)
Mr Giles Grant
(Director of Knowledge Services and Solutions)
Ms Michelle Richmond
(Director of Membership and Professional Development)

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Solicitors

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Oak Hill Advisors (Europe) LLP, 45 Pall Mall, 4th
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Custodian

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Investment Advisers

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The Institution of Engineering and Technology is registered as a Charity in England and Wales (No. 211014) and Scotland (No. SC038698). The Institution of Engineering and Technology, Futures Place, Kings Way, Stevenage, Hertfordshire, SG1 2UA, United Kingdom.

*A subsidiary of IET Services Ltd.