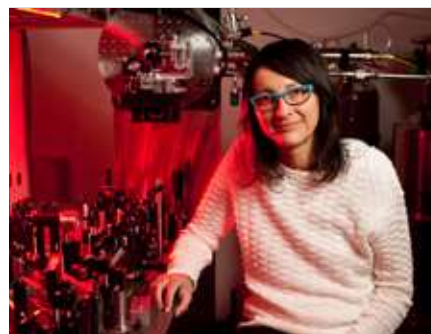


The IET Trustees'

Annual Report and Accounts 2020





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Introduction

from the President and Chief Executive and Secretary

Now in our 150th anniversary year, we are immensely proud of our rich history, our diverse global presence, our commitment to engineering a better world and our determination to inspire the young engineers of tomorrow.

Back in 1870, at the point when our story began, nobody foresaw the transformational impact that engineering and technology would have on the generations to come. Since then, engineers have worked tirelessly to shape and improve our world – influencing everything from the clothes we wear to the food we eat, the transport we use and the mobile phone in our pocket.

Their desire to design, invent, fix and improve is unabated, evidenced by the tenacity of today's engineering community in tackling many of society's greatest and most pressing challenges, including COVID-19.

The pandemic has affected families, communities and economies across the world. In what has been a difficult year for us all, our thoughts are with the family and friends of those members and staff who have lost their lives in 2020.

Going the extra mile

Undeterred by the COVID restrictions in place around the globe, IET volunteers went the extra mile to engineer a better world throughout 2020, demonstrating astonishing flexibility, positivity and resilience as they switched at short notice from traditional face-to-face meetings and events to innovative online formats.

Many of our members and volunteers joined with us to help address the global health emergency, applying their knowledge, experience and engineering expertise to resolve a range of COVID-related problems, including the desperate shortage of PPE and ventilators. This invaluable input also enabled us to present expert engineer and technician viewpoints to Governments on themes ranging from post-pandemic economic growth to improving digital skills in the post-COVID future.

Inspiring future engineers

We recognise our responsibility to keep a healthy pipeline of engineering talent flowing, well into the future. We achieve this by inspiring young people about the limitless opportunities that a career in engineering can bring and by encouraging them to choose to study science, technology, engineering and maths (STEM) subjects.

With schools and colleges closed during the pandemic, home learning became the new normal, so we acted promptly by providing free access to all IET teaching materials. During 2020 we engaged with 128,000 information-hungry young people, parents and teachers: we experienced a huge rise in IET resource downloads and a marked increase in IET education website activity. We also fuelled the imagination of enthusiastic potential young engineers by converting our Faraday Challenge Day Toolkits into Faraday Challenge at Home resources.

Stepping up the pace

During 2020 we published 70 books and 6,005 papers on an array of engineering and practitioner topics, as well as launching three new Journal titles. We counteracted the absence of face-to-face activities by accelerating our plans to migrate more content online.

Unwilling to allow the pandemic to hamper our members' progress, we significantly strengthened our online continuous professional development (CPD) offering. The IET Academy attracted more than 2,000 new students and launched a range of online courses to deliver content to those who found themselves abruptly changing their working and studying patterns. We also relaunched our newly improved mobile responsive Career Manager tool, the digital gateway to CPD and professional registration.

We switched to virtual delivery for our large-scale conference programme and many of the countries where we operate embraced online interaction in a big way – for example, IET India's 'Digital Conversations' events portfolio attracted over 140 speakers and 8,000 attendees from more than 15 industries.

Meanwhile IET.tv, our creative in-house video production team, enabled our volunteers to continue communicating with staff during the pandemic and accessing our latest campaigns and content in a COVID-secure way. The team also masterminded the production and livestreaming of the 2020 IET President's Address, which has now been viewed on-demand more than 30,000 times. This new virtual-first engagement format proved so successful that we plan to retain it after social distancing restrictions have been lifted.

Making a difference

We kick-started our 150th anniversary celebrations in October by launching an exciting new campaign. It celebrates the outstanding contribution made by difference makers around the world who are using engineering and technology to bring about lasting positive change and are inspiring young people and adults to enter the profession. It's been uplifting to see so many members responding to the campaign by participating and pledging to make a difference.

In 2020 the effects of the pandemic were felt by all. Yet in the face of all this turmoil, so many of those within the IET community redoubled their efforts to help us engineer a better world by continuing to inspire, inform and influence the global engineering community and wider society.

We are incredibly proud of how our dedicated volunteers, members and staff have responded during these unprecedented times. Thank you for making a difference.



Handwritten signature of Danielle George in black ink.

Professor Danielle
George MBE BSc MSc
PhD CEng FIET, IET
President



Handwritten signature of Nigel Fine in black ink.

Nigel Fine BSc MBA
CEng FIET, FICE, Chief
Executive and Secretary

Report of the Trustees

Alongside our members, volunteers and the wider engineering community, the IET believes that Engineering and Technology will provide answers to humanity's most pressing challenges.

This ideal came into sharp focus in 2020 as the COVID-19 pandemic threatened the health, prosperity and futures of so many across the globe. At the time of writing, some 2 million UK based workers have lost their jobs due to the crisis, with countless more affected across the globe. It is impossible to predict how far-reaching the health and financial consequences of this crisis will be.

Many in our community worked tirelessly throughout the year to engineer a response to the pandemic, via vaccines, ventilators and other equipment and software vital to our fight against COVID-19. The IET would like to thank those individuals and organisations who spent 2020 working to support, cure and keep society connected.

In order to support our communities, the IET migrated much of our academic and technical training and development materials online, and helped record numbers of engineers, students, teachers and parents with the knowledge, tools and advice they have needed to help combat this crisis.

Our benevolent fund, Foothold, and its charity partner Anxiety UK have provided financial and mental health support to members of the IET and their families who have reached out to us at this difficult time.

If you or someone you know is an IET member and needs emotional, practical or financial support, please get in touch with Foothold now.

Our aims and objectives

For 150 years the IET has existed for the sole purpose of working to engineer a better world.

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."

Who do we work with?

We work with a wide and varied group of stakeholders in order to deliver our vision and help individuals and organisations fulfil their professional goals. These audiences fit broadly into four categories:

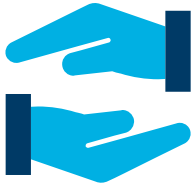
- Industry
- Practitioner
- Academia
- Society

These audiences are the reason the IET exists and we put them at the heart of everything we do.

By maintaining our focus on our audiences, the IET will remain relevant and effective in delivering the vision through our mission to inspire, inform and influence.

Our values

Our values are the way in which we work to achieve our mission and our purpose.



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.

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.



Our third value is teamwork. We must continue to work together and recognise the value of talented individuals working in our teams and in our volunteer communities. More than ever we must be collaborative within the IET and with our remit to partner with other likeminded organisations.

IET 2030

Our 150th year is a moment to reflect on what our profession has achieved and our role in supporting and building on these achievements. It's also a time to think about how society and the profession are changing and our relevance in the future.

These questions have been a focus of work throughout 2019 and 2020 and to ensure we are resilient enough to provide value to our communities for the next 150 years, we have chosen to look beyond the immediate horizon and focus on how the IET will make a difference over the next 10 years.

By 2030 the IET will:



Increase public trust in digital and support practitioners through a period of change with the application of standards, regulation and the sharing of best practice.



Accelerate the pace of development and adoption of technology that supports the move towards a zero-carbon future.



Draw a professionally registered membership of 100,000 through our reputation of excellence.



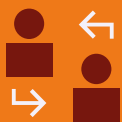
Solve world problems as the engineering and technology community's best information, intelligence and analytics provider ranked in the top 10 for market share.



Recognise a membership of 200,000 with a global engineering/technician digital audience of 1 million.



Significantly increase the numbers of quality engineers and technicians entering the workforce.



Ensure our influence is seen in society every day.

2020
2030

Societal challenges

To do this, our volunteer and staff team have selected five societal challenges which are not only important to the IET and the engineering profession in general, but also of paramount importance and relevance to society. This relevance to society is an important factor, as it is part of the IET's mission to ensure that the public is informed regarding the benefits that engineering and technology solutions will bring to these challenges and in turn, encourage governments to adopt those solutions.



The IET's five societal challenges are...



Sustainability and climate change



Digital futures



Healthy lives



People-centric infrastructure



Productive manufacturing

Our initial areas of strategic focus, **sustainability and climate change**, and **digital futures** were developed during 2020. We will continue to define the positive impact we wish to have on the remainder of our Societal Challenges throughout 2021.

Sustainability and climate change

Climate change is a significant long-term challenge for society. The responsibility to drastically reduce our impact on the climate falls on all areas, industries and sections of society. Addressing global warming quickly and effectively requires urgent, clear and decisive leadership, both politically and within industry, and will rely on establishing the infrastructure, systems and governance for long term sustainability.



2030 outcome

A global society on the way to a carbon neutral world by 2050.

2030 ambition

We will accelerate the pace of development and adoption of technology that supports the move towards a zero-carbon future.



Finding solutions is, without a doubt, the most difficult and important engineering and scientific challenge of our time. The IET will make a vital contribution.

The key engineering and technology challenge for climate change is the pace of development and adoption of viable, economic technologies that will allow societies to move away from reliance on unsustainable technology and infrastructure and enable transition to zero-carbon.



Digital futures

The unfolding age of digitalisation will affect every aspect of modern life and influence societies of the future. From digitally connected products and services to smart cities and factories, digital advancement is becoming increasingly accessible and less cost prohibitive, transforming the way we live and work.

Modern economies will require wider adoption of trusted digital systems and connectivity to enhance the health and wealth of society. While there is the potential for this to be transformative it will be disruptive to some. New technologies must therefore be accompanied by appropriate levels of societal adaptation to successfully manage their use and benefit to society. The adoption of digital technology across multiple industries in a uniform and consistent way will require many practitioners to embrace new, or changed methods, processes, and tools. This brings about change in the way they innovate, design, build and use technology.



2030 outcome

Digital transformation is underpinned by agreed ethical practice and public benefit.

2030 ambition

We will increase public trust in digital and support practitioners through a period of change with the application of standards, regulation and the sharing of best practice.

Strategic themes

We will also more generally work across our staff and volunteer teams to create value that supports our audiences to deliver engineering and technology solutions through the following strategic themes...

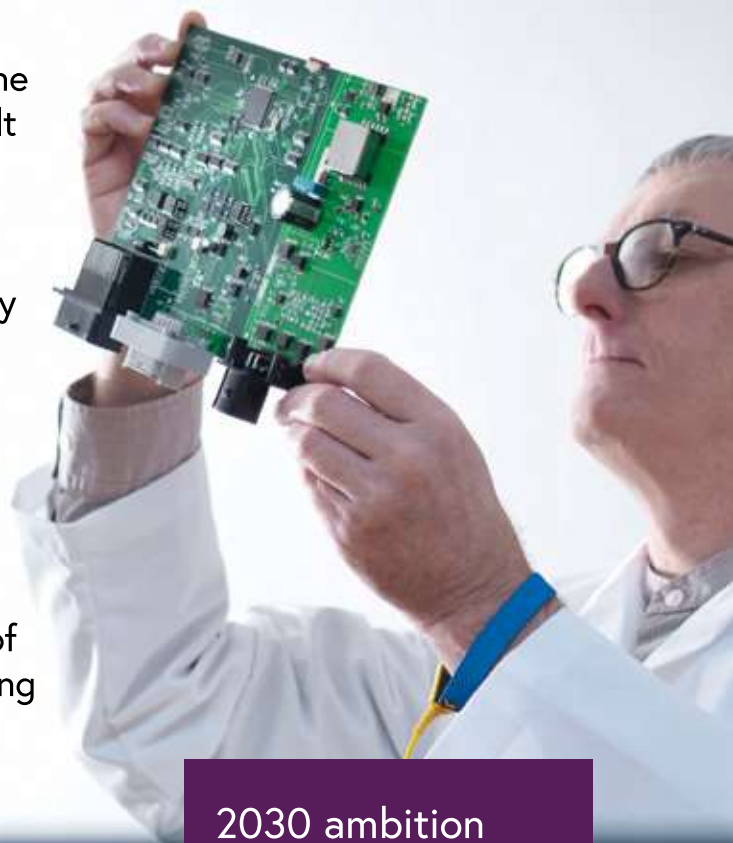


- 1 Engineering excellence
- 2 Skills, learning and networks
- 3 Research solutions
- 4 Innovation and policy
- 5 Education

Engineering excellence

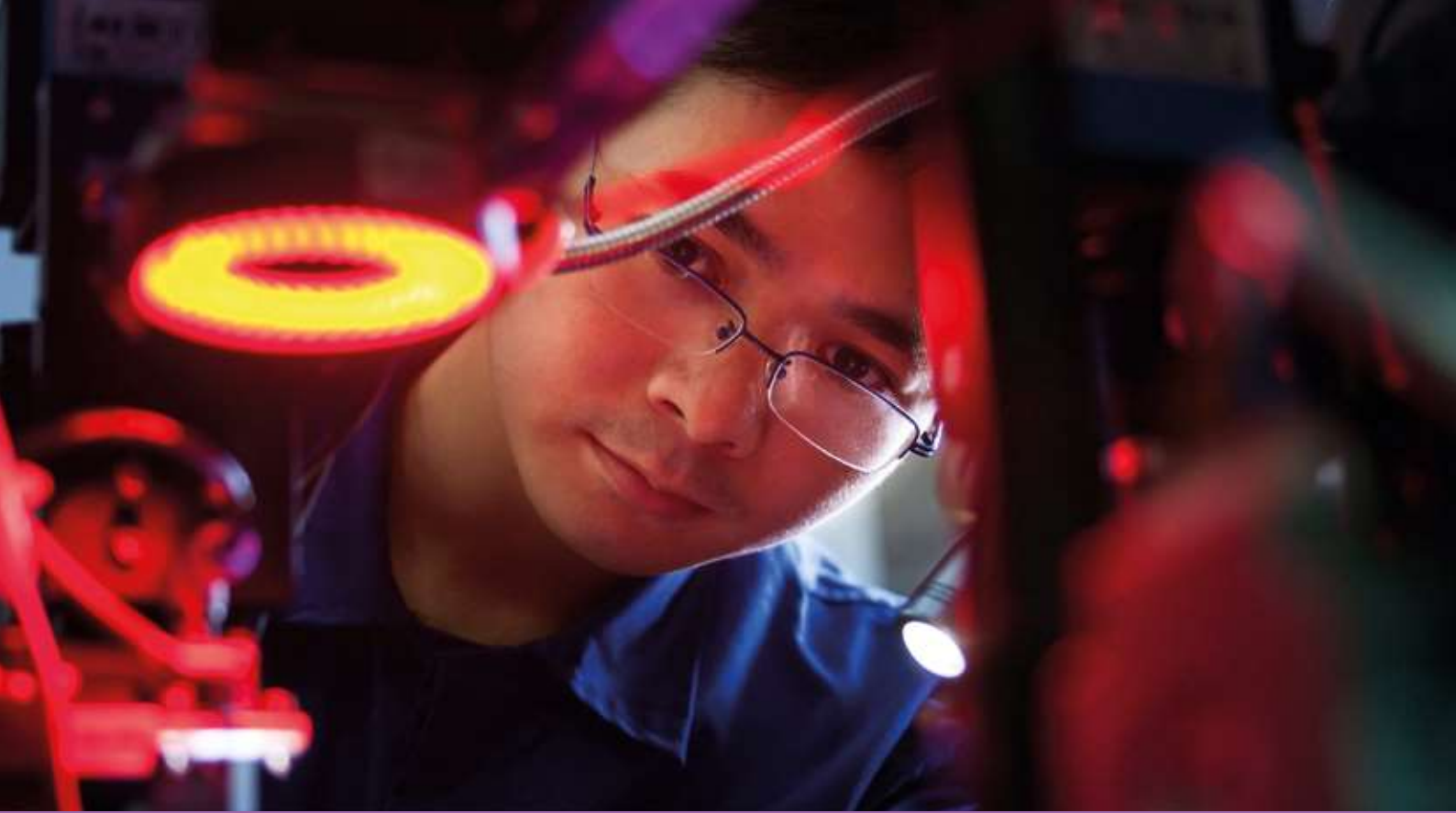
Professionalism is the foundation on which the IET and its predecessors and peers were built and while the IET ensures that practitioners have the skills and qualifications to deliver safe and efficient technology, engineering disciplines and the applications of technology are currently evolving at pace. The IET exists to support practitioners of all engineering disciplines, both existing and emerging.

The essentials of Engineering Excellence 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.



2030 ambition

Our reputation for excellence draws a professionally registered membership of 100,000.



Skills, learning and networks

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.

As the pace of emerging new technology increases, maintaining and updating skills is a key challenge both to individual practitioners and to employers in industry. Those audiences look to Professional Engineering Institutions like the IET for support in meeting these needs.

Over the next decade the IET will engage with engineers and technicians on a digital first basis and bring together all our practitioner facing content and networks into a single user interface that will be accessible via any device, anytime and anywhere.

2030 ambition

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



Research solutions

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.

As the global research community moves towards an Open Access model (which makes research information available to readers at no cost), in 2020 the IET strategically positioned itself to embrace this shift, through a partnership with multinational publishing company Wiley to produce and distribute all IET journals as Open Access.

From this position, the IET will expand further quality content across the spectrum of Engineering and Technology subjects, incorporate more commercial and government research into its current academic research focus and move away from being known as a "publisher" to become a workflow solution provider, by building on the success of Inspec Analytics and moving further into analytic services.

2030 ambition

We solve world problems as the engineering and technology community's best information, intelligence and analytics provider [ranked in the top 10 for market share].



Further information on Open Access and the manner in which it will help authors reach the widest audience possible is included in the Knowledge Sharing section of this report.



Innovation and policy

Public trust in the professional engineer, the regulatory environment and the right conditions to enable innovation are all required to facilitate engineering solutions that solve world problems. These are complex issues, with a large number of varied stakeholders to influence and support.

This strategy recognises that our institution has a rich resource in our people – members, volunteers and work colleagues – which gives us an excellent opportunity to make an impact in these areas. 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 the leading evidence-based voice of engineering and technology.

2030 ambition

Our influence is seen in society every day.



Education

The future health and success of the engineering profession is dependent upon children and young people being aware of, and interested in, STEM topics. That interest needs to be maintained throughout their education to encourage them to choose to advance their own STEM knowledge through further and higher education. It is also important that all children believe that an engineering career is possible for, and attractive to them, regardless of their backgrounds.

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

2030 ambition

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

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 its 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, Volunteer Engagement and Membership and Professional Development. These Boards, which report directly to 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.

In 2020 our key performance indicators were derived from the previous version of our strategic framework and these are reported on under the relevant areas of operational activity.

Over the course of the year, we drafted a new set of key performance indicators which will be in use throughout 2020 and beyond – details of these new metrics and their associated 2021 targets can be found within the section on Our Plans for the Future.

We moved quickly in 2020 to provide our volunteers with the tools and skills required to operate effectively in an entirely online world.



Volunteering

Volunteering is central to the mission of the IET.

With over 40 different volunteering roles and types of engagement across the IET, 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.

The IET's work is reliant on the generosity and expertise of our volunteer network, which spans many roles and opportunities, including:

- Mentoring the next generation of engineers, technicians and technologists
- 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

Like many the IET had to adapt the way we worked in response to the global pandemic. Volunteering was no exception and together with our staff teams, we moved quickly in 2020 to provide our volunteers with the tools and skills required to operate effectively in an entirely online world.

As a result, our volunteer community maintained its high level of activity as illustrated in some of the statistics:

- The IET's volunteer communities rapidly adapted and scaled up their virtual activities to produce webinars that reached more than 42,000 live delegates and more than 5,000 on-demand viewers
- Our volunteers achieved around 40,000 hours of CPD to keep the global engineering community up to date from the safety of their homes
- Volunteers were instrumental in awarding 70 diamond scholarships and 110 horizon bursaries to engineering and technology students and apprentice's worth more than £500,000
- Volunteers have supported 2,600 candidates through their Professional Review Interviews
- Our volunteers have helped raise the quality of engineering degrees by accrediting the degrees of more than 160,000 students across five countries.

During this year we have reached out to our volunteer communities to help us shape the Volunteering Engagement Strategy which will be introduced in 2021. The strategy will focus on supporting the IET's strategic themes and societal challenges, acknowledging the impact volunteers have for the IET and those they work with, as well as ensuring we have the right breadth and depth of volunteers to serve the IET's vision and mission in the future.

Finally, our volunteers have supported the efforts of government's around the world, to bring engineering expertise into solving some of the engineering challenges around COVID-19 with everything from transport, energy, manufacturing to cyber security.

Fundraising and development

The vital necessity of skilled engineers, now and in the future, came into sharp focus in 2020.

The IET Futures Fund has the goal of supporting the next generation of engineers through our flagship programmes so that in turn they can find the solutions to our most pressing problems.

Thanks to the steadfast support of our funding partners – both old and new – we have been able to ensure that our innovative STEM education programmes could evolve and inspire new audiences in homes around the world and at school and that we could continue to offer support to engineering students and apprentices at a time of great uncertainty and economic hardship.

We have shown this year that our programmes are not only scalable but flexible and responsive.

From July 2018 we have been matching new donations to Faraday Challenge Days, IET FIRST® LEGO® League programmes, Diamond Jubilee Scholarships and Engineering Horizons Bursaries in celebration of our 150th anniversary.

The goal of £1 million was reached just before the official start to our anniversary year in October 2020 – and was extended by another £1 million. By the end of 2020 the total match-funded since July 2018 stands at £1.45 million. The total pledged since the IET began fundraising is more than £5 million.

In 2020 the Presidents' Partnership was launched with contributions from former Presidents of the IET in support of the Futures Fund's programmes.

We are delighted that individual members of the IET continue to play a great part in supporting our initiatives with personal donations. Individual donations are mainly received through our two Virgin Money Giving pages. One for the Inspiring Future Engineers Fund and one for Take Your Place where larger donations are 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.

Our Development Team reports to a committee comprising largely of volunteers, including two Trustees, and the Chief Executive and Secretary. 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.

The IET is registered with the Fundraising Regulator and complies with all the relevant standards set out in the Code of Fundraising Practice. We carry out due diligence on donations to our programmes.

Our main sources of donations are companies, charitable trusts and foundations, interested individuals and legacies.

We would like to thank our donors in 2020, who included:

- Affinity Water
- Airbus
- Altran UK
- Arm
- BAE Systems
- Belling Charitable Settlement



- Caterpillar
- Chemring Group plc
- Costain
- Cundall
- David Family Foundation
- DigitalXtra Fund
- Engineers Trust
- ERA Foundation
- Exilarch's Foundation
- Ford Fund
- Ruth and Nigel Fine
- Gatwick Airport Community Trust
- IHEEM
- Ironmongers' Foundation
- Jack Petchey Foundation
- LEGO® Foundation
- Lloyd's Register Foundation
- Manly Trust
- Motorola Solutions Foundation
- National Grid
- NATS
- Network Rail
- Plextek
- Queen Mary University of London
- Reece Foundation
- Royal Commission for the Exhibition of 1851
- Sage Foundation
- Siemens

- Society of Motor Manufacturers and Traders Limited
- Science and Technology Facilities Council
- Science Foundation Ireland
- Spirax Sarco
- Synoptix
- Thales
- Graham and Kathleen Tubbs
- Wates Family Enterprise Trust
- Professor and Mrs Weiss
- Whirlpool
- Whitaker Charitable Trust

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
- Professor Sir Chris Snowden BSc MSc PhD FRS FEng CEng FIET
- Mr Keith Thrower OBE FEng CEng FIET

We are also grateful to the many individual members who gave to the Futures Fund and supported us through the Take Your Place option.

Fundraising statement

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". Such amounts receivable are presented in our accounts as "Donations and legacies" and are all voluntary in nature.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fundraisers, or third parties. The day to day management of all income generation is delegated to the Executive Team, which is accountable to the Trustees.

Although the charity is not required to be bound by any regulatory scheme, the charity complies with the relevant codes of practice. We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times; as we do not approach

individuals for funds we do not specify such terms to fundraising activities and nor do we consider it necessary to design specific procedures to monitor such activities.

The Institution of Engineering and Technology is registered with the Fundraising Regulator.

Grant making policy

The IET does not generally make grants from its unrestricted funds. Grants are therefore generally made to individuals in the form of scholarships and awards in accordance with the objectives and restriction of relevant funds and under the supervision of the Scholarships Committee and the Awards & Prizes Committee. IET also administers the Dr A F Harvey Fund under which grants are generally awarded to an organisation within which funded research is performed. Award of the Dr A F Harvey Fund is judged by the IET A F Harvey Engineering Research Prize Search and Selection Panel. Recipients are required to report on the application of funds and research outcomes to the Panel.

Our achievements and performance

Knowledge sharing

Driving innovation to solve global challenges

The IET is the largest professional engineering institution in Europe and we play a pivotal role in ensuring that the engineering and technology community can rapidly access the information they need to solve the problems of today and tomorrow.

Our award-winning analytics tools, high quality academic journals and innovative research communities are integral components of our knowledge sharing offering, which also includes technical, call-for-paper events and online technical networks.

The events of 2020 have further emphasised the benefits of knowledge sharing between academia and industry and while the COVID-19 pandemic curtailed many of our traditionally face-to-face activities, the IET used the opportunity to accelerate our plans to migrate content online to enable wider and deeper content creation and sharing.

Research solutions: journals, books and ebooks

The IET's high-quality book portfolio provides a comprehensive resource for the engineering and technology community.

We provide researchers, professionals and students with new perspectives and developments in emerging subject areas, including healthcare technologies and cyber security, as well as forward-looking publications in traditional engineering topics and practitioner topics such as the Wiring Regulations and IET Standards.

During 2020, we published 70 books spanning a wide range of subjects, including:

- Transforming the Grid Towards Fully Renewable Energy
- Mobile Technologies for Delivering Healthcare in Remote, Rural or Developing Regions
- Transparency for Robots and Autonomous Systems: Fundamentals, Technologies and Applications
- Radio Wave Propagation in Vehicular Environments
- Internet of Things Technologies in Smart Cities: From Sensors to Big Data, Security and Trust



Likewise, our journals portfolio offers a wealth of research and information in a wide range of engineering and technology fields. As an open access publisher, our worldwide readership, database coverage and discoverability tools offer authors a fast and reliable way to raise awareness of their work.

In 2020 we published 6,005 papers and launched three new Journal titles:

- Energy Conversion and Economics
- IET Blockchain
- IET Quantum Communication

Developing the IET's publishing strategy

During the summer, the IET announced a new development in the IET's journals publishing strategy that will take the IET to the next level in disseminating essential engineering intelligence.

From 2021, all IET journals are now open access. This approach builds on a strategy that began in 2012 when the IET launched its first open access journal, The Journal of Engineering.

The IET now has 15 wholly open access journals with open access publication routes in the remaining 27 journals.

The decision to make this transition was made in response to market conditions which have seen open access transform the process of research and scientific publishing. This decision brings with it changes in the IET's publishing partnerships and from January 2021, we are pleased to announce that IET journals are being published and distributed by Wiley, a major society publisher that supports over 220 societies.

Wiley has over 200 years' experience in disseminating knowledge and has developed a respected reputation for helping both small and large learned and professional societies achieve brand awareness and market engagement. Today, Wiley publishes more than 1,600 journals and distributes content to more than 17,000 institutions worldwide.



Open access

Open Access is part of a movement towards open research, a broader cultural phenomenon promoting a greater engagement of science and research in society. Becoming an open science and open research institution will allow the IET to fulfil its mission in a number of ways:

- No research papers behind a pay-wall means equally available access to leading research for developed and developing environments
- As science becomes more multi- and interdisciplinary, our relationship with Wiley will provide access to national open access transitional deals all around the world that will further the reach of the IET brand and help the research community to engineer a better world
- The IET will rapidly move into a leadership position in open access and will have a better platform to talk about access to information and the role of research in driving social change.

150 years of difference makers

The IET President's Address



The IET President's Address 2020

We share innovation and promote best practice

2020 presented the world with a number of unique challenges – not least the requirement for many in the engineering community to work in isolation, often at home.

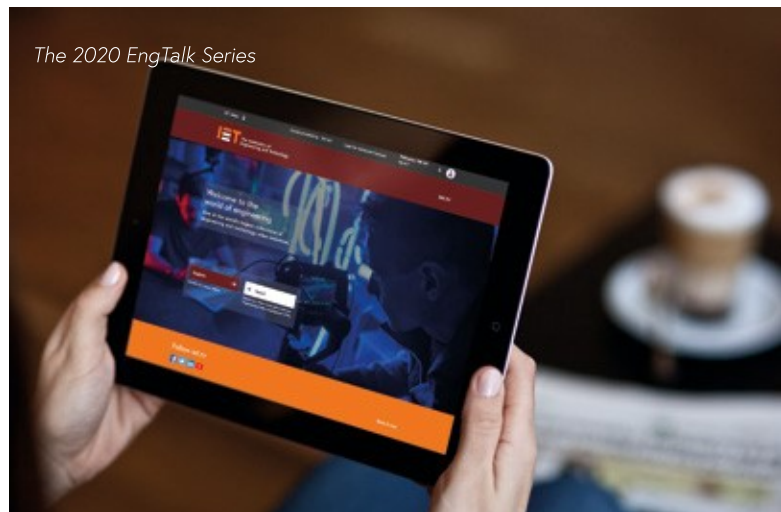
The COVID-19 pandemic necessitated an abrupt shift away from office and site-based working, upending the professional lives and habits of many of our members. The IET and many organisations like us spent 2020 adapting to this 'new normal' and have placed an emphasis on providing virtual alternatives to our traditional activities.

IET.tv

Our in-house video production team was instrumental in ensuring that we were able to make progress against our vision and mission throughout 2020. In very challenging conditions, our production team enabled staff and volunteer teams to communicate, and enabled members to access the latest campaigns alongside content from events run by the IET in a socially distant manner, including:

- The IET President's Address 2020
- The E&T Innovation Awards
- The 2020 EngTalk Series

The 2020 EngTalk Series





The E&T Innovation Awards

IET Academy

The IET Academy is the only mobile training resource of its kind; where engineers can access trusted, expert-led courses covering a range of technical and professional subjects. Tailored for engineers at all levels, from apprentice right up to experienced senior engineer, learners at the IET Academy in 2020 were able to enhance their understanding of their specialist subjects; enabling them to further develop and demonstrate the knowledge and skills required for their role.

In 2020, when many face-to-face education opportunities were unavailable to our communities, the Academy worked with partners across academia and industry to ensure that our online education offering included up-to-date content to ensure that their career development continued smoothly. More than 2,000 individuals joined the Academy in 2020 alone.

Our new courses in 2020 represented more than 120 hours of learning on subjects including:

- EV Charging Installations
- Asset Management for Engineers
- Smart Homes for Electrical Installers
- In Service Inspection and Testing of Electrical Equipment.

Virtual conferences

Knowing that the IET's large scale conference programme presents delegates with regular learning, networking and publishing opportunities, we moved quickly to transition many of the flagship events that we had planned for 2020 into virtual events, which in some cases were provided free to delegates. These events included;

- The 35th Satellite Communications Course
- CIRED Presents: A discussion on the energy distribution landscape
- The 8th International Conference on Renewable Power Generation (RPG 2020)
- ACDC 2020 (China)
- The 10th International Conference on Power Electronics, Machines and Drives (PEMD 2020)

Online communities

Engineering Communities is our hub for member information and communication, and it is not surprising that we saw a large increase in traffic to our site during 2020. Engineering Communities features not only communities of interest across a number of technical areas and engineering disciplines, but also communities based on geography.



Digital conversations in India

In response to the pandemic, IET India staff rapidly built an online-only portfolio of events which featured global experts from various fields commenting on and debating issues in India stemming from the crisis. More than 30 events were developed, with titles including:

- Will COVID-19 burst the shared mobility bubble?
- Re-imagining and resetting workspaces for the future
- Navigating your career through COVID-19
- The Digital Conversation series attracted more than 140 speakers and 8,000 attendees from more than 15 industries were represented.



What we said we would do and what we achieved

The key performance indicators we used to track our performance in the knowledge sharing area in 2020 were:

Strategic KPI	2020 target	2020 outcome
Inspec Market Penetration	23.5%	<23.5%
<p>We were not able to achieve our target to grow the uptake of Inspec in the year. COVID-19 impacted research department budgets, particularly in North America, resulting in a general reduction in subscriptions to databases of this type. It is, however, believed that as the pandemic conditions ease, and universities in particular return to a degree of normality, the subscription base will be repaired in the coming year.</p>		
Inspec Analytics usage	50.0%	77.9%
<p>Inspec Analytics functionality is now being used by the large majority of our customers with many of them accessing this through integration of the functionality with the platforms of our distribution partners. We anticipate further progress on these integrations will be made in the coming year which will make the valuable tools provided by Inspec Analytics available to even more members of the research community.</p>		
Event Attendees from Industry focused events	5,925	1,113
<p>We were not able to meet our target for Event Attendees due primarily to the cessation of all physical events run by the IET from March 2020.</p> <p>Our initial targets for this KPI were set against a very specific list of face-to-face Seminars and Call-for-Paper conferences that we identified as being of particular use and interest to Industry. While we made good progress against this KPI in the early part of 2020, by March it was clear that the responsible action was to cancel these face-to-face events for the safety of our delegates, staff and volunteers.</p> <p>While the majority of these events were quickly adapted to be delivered virtually, delegates at online conferences are not included in our 2020 outcome above. This is because target delegate numbers may have been set at a different level, had a virtual delivery of the events been planned at the start of 2020. Despite 3 cancellations (due to COVID-19) from our planned Industry events portfolio, if we were to include virtual delegates, we would have attracted an audience of 4,467.</p>		

Membership and professional development

We are a global diverse home for over 158,000 engineering and technology professionals in 150 countries and we support our community at every career stage, whether it's developing new capabilities or perfecting established ones.

Professional registration

We enable our members to take control of their careers and demonstrate professionalism.

In 2020, the IET was one of the leading Engineering Council Licensee's for new registrations. In addition, amongst the UK Professional Engineering Institutions, the IET continues to hold the largest register of professionally qualified engineers.

IET staff and volunteer teams worked hard to provide those affected by COVID-19 to embark on or complete their registration journey virtually.

Their hard work, alongside our relaunched Continuing Professional Development (CPD) tool, Career Manager, helped us continue to be a natural home for those seeking to be recognised for their competence, knowledge and expertise.



Career Manager

The digital gateway to continuing professional development and professional registration

Our mobile responsive career management tool was relaunched in 2020 with an improved and simplified interface, allowing users to concentrate on their applications

Career Manager helps our members:

- Clearly see and assess themselves against the skills required for successful professional registration
- Get feedback from mentors as they progress
- Keep their CVs up-to-date

Partnerships

We work with Industry to help equip its employees with the skills they need to excel in their fields.

To that end we have developed a partnership network of organisations who, like us, have made a commitment to providing professional recognition opportunities and continuing professional development to their staff.

IET Corporate Partners

The IET's Corporate Partners are large organisations who are committed to their employees' professional development. With over 100 Corporate Partners, we provide some of the largest companies in the UK with support for their employees' professional development and registration. We offer a range of services and support to our corporate partners, including:

- A range of employee training solutions, from discounted in-company or webinar-based courses to the IET Academy, our industry-leading e-learning solution. All our training is aligned to the UK-SPEC with constantly refreshed content from leading academic and industry partners
- Networking opportunities across industry, academia and government, including invitations to online roundtables, speaking opportunities and a newly introduced series of IET Partnership Discovery Sessions
- Tailored professional adviser services for one-to-one support and feedback for individuals undertaking professional registration applications

We were pleased to welcome the following organisations as new IET Corporate Partners in 2020:

- Amey
- Bilfinger
- Boeing
- Boulting
- GE Power Conversion
- KCOM
- Morgan Sindall Infrastructure
- Thames Water
- The Environment Agency
- SSE

IET Enterprise Partners

Alongside our larger Corporate Partners, we support the contribution of small and medium sized organisations to innovation and technical development across several sectors.

Our Enterprise Partner scheme is tailored to provide support to UK based, smaller organisations that are committed to professionalism. 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 2020 included:

- Antech
- 4Way Consulting
- a1-cbiss
- Baker Hicks
- Bender UK
- Continental ASL
- Cougar Automation
- CSA Catapult
- Dagem Power Ltd
- Energia
- Energy Systems Catapult
- EP Connect
- EPM Digital
- ESC
- ETAS Ltd
- Generation Help
- Hulley & Kirkwood Consulting Engineers
- Iconsys
- In4.0
- Interserve
- Linxon
- Lti Metal Tech
- Magway
- makereal
- MHI Vestas
- Morson Projects
- Northumbrian Water
- Powell Industries Inc
- Safeguard Engineering Ltd
- Sixworks
- SMD
- South Eastern Railway
- SPND
- Sterling Pharma
- Synoptix
- TCS Panels
- Tokomak
- Valero
- Vanderlande
- VVB

The 2020 IET Achievements Awards

The IET Achievement Awards exist to celebrate the incredible talent within engineering and technology, with a wide range of categories to recognise people who have made a real impact in their industry.

Whether they are just starting out as a passionate apprentice or technician, or right the way through to their mid-to-late career, there is something to truly recognise the impact of anyone.



We are honoured to present these talented individuals with our Achievement Awards. They have each excelled in their professions and have made a vast contribution as pioneers of important areas in the engineering and technology industries. They should all be very proud of their achievements – they are amazing difference makers.



IET President,
Professor Danielle George
MBE BSc MSc PhD CEng FIET



The full list of award winners is as follows:



The Faraday Medal

Professor Bashir M
Al-Hashimi CBE FREng FIET



The Mountbatten Medal

Associate Professor Dr Tong Boon
Tang BEng PhD SMIEEE



The Mensforth Gold Medal
for Manufacturing

Professor Keith Ridgway CBE
FREng HonFRAes FRINA FIMechE
FCGLI MIET



The JJ Thomson Medal
for Electronics

Professor Kei May Lau



Achievement Medal

Professor Sean Gong
DPhil FIET



Achievement Medal

Dr Paul Needham
PhD CEng FIET



Achievement Medal

Professor Margaret Lucas
FRSE



Achievement Medal

Professor Molly Stevens
FRS FREng



Achievement Medal

Dr Malik Tatipamula
FIET



The IET Achievement Medal for
Volunteering

Ms Susan Jones MEng CEng FIET
CQP MCQI MWES



The Young Professionals Excellence
Award

Ms Siddha Ganju



The Mike Sargeant Career Achievement
Medal

Ms Rebecca Sell TMIET



The Paul Fletcher Award for Young
Professionals

Ms Dilani Selvanathan



The Apprentice of the Year

Ms Jessica Reading



The Technician of the Year

Ms Chloe Garland



The Armed Forces Technician
of the Year

Lance Corporal Lucyanne Leo

IET Honorary Fellows in 2020

- Professor Herzl Aharoni
- Ms June Angelides
- Dr Christopher Bruce
- Ms Kimberly Bryant
- Professor Mark E Dean
- Dr Hannah Fry
- Professor Stephanie Haywood
- Professor Askwar Hilonga
- Mrs Virginia Hodge
- Dr Anne-Marie Imafidon MBE
- Eur Ing Savvas Savvides
- Professor Will Stewart FREng
- Professor Eleanor Stride OBE FREng
- Dr Eben Upton CBE FREng
- Professor Bernard Weiss FREng
- Ms Sophie Wilson CBE FRS FREng



About the A F Harvey Prize

First awarded in 2011 in remembrance of the Welsh engineer Dr Arthur Frank Harvey, BSc(Eng) DPhil FIEE, this international prize is awarded annually. The prize money which accompanies the award is to be used for the furtherance of scientific research in the fields of medical, microwave, laser or radar engineering, on a rotating basis.

For further information on the life and career of Dr Harvey, please visit theiet.org/impact-society/awards-scholarships/a-f-harvey-prize/history-of-the-prize/

The 2019 recipient of the prize was Professor Jelena Vuckovic, a Jensen Huang Professor in Global Leadership, professor of electrical engineering and, by courtesy, of applied physics at Stanford. The 2019 award was made to Professor Vuckovic for her outstanding contributions to research in the field of photonics.

Professor Vuckovic's research focuses on the development of miniature Titanium:sapphire (Ti:sapph) lasers. On-chip integrated pulsed laser will revolutionise photonic technology and the applications that require these lasers, such as medicine, optical communications, quantum computing and self-driving cars.

Her lecture, which took place in March 2020, is available via the IET website.

A F Harvey Prize Winner 2020

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.

Our search and selection panel scour the world for potential candidates each year, drawing on expansive international networks to reward the most innovative workers in these fields.

The winner of the 2020 IET A F Harvey Prize was Professor Gregoire Courtine for his work to identify gateways that enable electrical spinal-cord stimulation to help restore motor functions to those recovering from spinal injuries. Professor Courtine will provide a lecture on his work for the IET in 2021.



What we said we would do and what we achieved

Strategic KPI	2020 target	2020 outcome
Number of non-student and apprentice members below the age of 40 (excluding Students, apprentices and those in India and China)	37,140	35,468
<p>We narrowly missed our targets for members below the age of 40. While retention of members in this group improved on 2019 levels, a number of factors contributed to our 2020 shortfall, including: Key partners making significant numbers of redundancies; a number of apprentices being unable to complete their placement due to lockdown scenarios and therefore not converting to TMIET status and; fewer new graduates being taken on by existing partners. In addition, new prospecting for Enterprise Partners was hampered by lockdown and led to a short fall of new member recruits of c. 500.</p>		
Number of new registered members	2,590	2,897
<p>This target was exceeded, with over-deliveries in the CEng and ICTTech registration classes.</p>		
Individuals engaged with IET Learning and Development products	4,468	4,771
<p>Despite the COVID-19 related cancellations of many of our face to face development courses, we were able to exceed our targets in this area due to a spike in demand for online learning and development opportunities over the course of the year, via the IET Academy and Professional Development Webinars.</p>		

Education, policy and awareness

The world is facing unprecedented challenges and engineers are needed!

Part of our role as a Professional Engineering Society is to ensure that there is a healthy pipeline of Engineers ready to replace those likely to retire over the next 20 to 30 years. At a time when interest in STEM subjects is waning, this is a significant challenge which may have wide reaching consequences if not addressed.

In order to do this, we offer support to teachers through the delivery of classroom resources, posters and engineering careers information. Our curriculum-linked teaching materials include lesson plans and classroom activities, films of engineering case studies, engineering profiles and more. Parents, too, can look to the IET to provide a wealth of information to help them support their children as they choose further education and a career in STEM.

In tandem with this challenge comes the need to engage effectively with Governments around the world to ensure that they are well apprised of the latest advances in Engineering and Technology, and how those advances can be implemented to solve the challenges that the 21st Century brings.

The IET addresses this through ensuring that the opinions and voices of engineers are heard by Government and that the IET represents a reliable source of information and impartial advice.

This challenge goes hand in hand with the challenge of ensuring that the public and society are also well informed about the latest developments in our sphere and that they can trust the technology solutions available to them. In an era of misinformation where trust in technology and professional advice has been

severely eroded, the IET has risen to the challenge of ensuring that public around the globe can rely on the IET as a source of unbiased information.

However, the onset of the COVID-19 pandemic in early 2020 challenged all expectations as all elements of society struggled to orient themselves in the face of a challenge which jeopardised the health and futures of so many across the globe.

The IET's volunteer and staff teams worked hard to support schools, governments and the general public as they overcame a range of obstacles that few were prepared for.

Growing our education activities and support for parents

As noted above, one of our primary objectives is to encourage young people to choose science, technology, engineering and maths (STEM) subjects at school, college and university and to then consider engineering as a career.

Due to COVID-19 related school closures, all IET teaching resources were quickly made free-to-access online. More than 54,000 individual resources were downloaded during the year, against a historic average of 12,000 per year in previous years. Similarly, IET resources for parents saw a spike in downloads as many parents prioritised home schooling in the early part of the year. Overall, downloads of IET resources defied expectations, with a 330% increase on expected activity via the IET education website, supported by promotion via social media by the IET's communication teams around the world.





While all face to face education engagements planned by the Institution ceased in February 2020, resources were quickly adapted to provide virtual support. These included support for the IET's Faraday Challenge day Toolkits, which were converted to virtual Faraday challenge at home resources.

Creating and promoting positive coverage of engineering and technology developments

We want to inspire society and make sure that the public is well informed regarding the latest developments in the world of engineering and technology. In order to do this in the most effective fashion, we work with both media outlets and Governments to ensure that society is aware of the incredible impact that the profession has on society.

By promoting engineering and technology, we also strive to inspire the next generation of innovators by outlining to them the sheer breadth of opportunity and reward that come with a career in Engineering.

We provide resources to help inform and guide public policy formation, raise awareness of the value of engineering within government and engage the public regarding their understanding of relevant technical issues.

We also encourage diversity and inclusion in engineering and technology to make sure that no one feels excluded from a career in engineering or technology.

Our media campaigns in 2020 covered a huge array of subjects, reflecting the variety of the engineering and technology field. These campaigns included;

The IET@150

The IET's 150th anniversary was launched in October with PR activity and an accompanying social media drive marking the start of Professor Danielle George's year as IET President. This was followed by the President's Address itself. More than 30,000 people viewed the address from 65 countries.

Generation Green

This video-based campaign was delivered and developed with children's TV presenter Lindsay Russell and featured content was designed to help young people better understand what engineers in these fields do and why their work is so important.

Santa Loves STEM

This year's annual festive video was again aimed at children and helped promote our climate change theme. The video created a lot of traction in the media and had been viewed more than 140,000 times via YouTube alone, over the festive break.



Providing a voice for the engineering community

The outbreak of the COVID-19 pandemic provided governments across the globe with a series of complex and interlinked challenges throughout 2020.

Not least amongst these challenges was the spread of misinformation during the pandemic, which distorted public opinion regarding the cause and solutions to the crisis.

In addition, debate took place throughout the year on mapping our course beyond the pandemic itself, and its long term effects on future employment and careers and, in the words of the UK Government and World Economic Forum, how we can 'Build Back Better'.

As a guardian of professionalism, the IET was invited by Government to make a significant contribution to these challenges. Using the expertise of our volunteers, we were able to make the voice of engineers and technicians heard across a number of crucial themes, including:

- Post-pandemic economic growth
- The role of technology, research and innovation in the COVID-19 recovery
- Evidence for lockdown measures
- Improving digital skills in the post-COVID future
- The impact of COVID-19 on education and children's services

Beyond focusing on COVID-19, the IET also ensured that attention on other pressing engineering issues were not lost during the chaotic events of the year. We were also able to provide evidence and expert opinion on subjects including:

- Explaining artificial intelligence decisions
- Future support for low carbon heat
- The UK's telecoms infrastructure and domestic capacity
- Regulating CO₂ emission standards for new vehicles after transition.

What we said we would do and what we achieved

Strategic KPI	2020 target	2020 outcome
Societal engagement	500	775
<p>We were able to over-deliver on this metric following strong media campaign work towards the end of the year. We gained widespread coverage as a result of surveys conducted in August, which brought together the views of parents and children regarding engineering careers that will help address the effects of climate change. As a result of this work, we created content to help harness children's passion regarding climate change, which focused on 'green' jobs in engineering. This follow up work also gained traction in the media, following a raft of UK Government commitments during 2020, including a commitment to net zero emissions by 2050.</p>		
Annual number of young people, parents and teachers engaged with an IET education resource	86,140	127,961
<p>Despite the closure of many schools as a result of the COVID-19 pandemic, we were able to engage with more than 128,000 young people, parents and teachers. This is due largely to our decision to make all IET education resources free to download, which provided timely support to parents supporting the education of their children at home. Downloads of IET education materials more than doubled between March and June 2020, which carried our final engagement totals beyond the expectations that were set out at the beginning of the year.</p>		
Quality coverage	9,125	9,779
<p>Fuelled in part by a strong performance in our Societal Engagement KPI (above) we were able to over-deliver on our Quality Coverage targets for the year. Quality Coverage, which is the IET's unique metric for measuring the value of media coverage, was gained across multiple subject areas in 2020, despite media attention on the pandemic. Noteworthy campaigns undertaken by the IET in 2020 included a focus on the UK Department of Health's reaction to the pandemic and a series of well received interviews with IET President Danielle George, following her Presidential Address in October 2020.</p>		



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 contribution 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 over its financial cycle. 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 2020

Group income generated in 2020 amounted to £52.5m, split as shown below (2019: £65.6m). Group expenditure in 2020 was £61.9m (2019: £67.3m). Consolidated net income for the year was £0.5m (2019: net income of £15.8m) before remeasurement of the defined benefit pension scheme. The COVID-19 pandemic had a significant impact on the financial results for the year. However, despite the pandemic financial markets generally performed strongly and as a result the deficit on operational unrestricted

activity was largely offset by investment income and gains achieved during the year, such that the deficit on unrestricted activities was £(0.3)m for the year (2019: surplus of £14.2m). 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 have been deployed on charitable activities or retained in the charity's reserves (see Note 16).

Membership and Professional Development income in 2020 was flat compared to 2019. Although annual fee increases drove some income growth, this was offset by physical disruption to recruitment activities and in-person professional development courses. Income generation from professional registration and accreditation activities was maintained by swift adoption of remote working practices. In 2020, total membership of the IET fell by nearly 6% compared to the prior year. Around a half of the decline was expected because of a shift of emphasis in India. The IET focus in India has turned towards activities that have an impact on competency and skills, together with a continuing extension of the IET's influence in relation to technology innovation and problem solving in areas of high public importance. The membership level in the UK has experienced a temporary decline due to pandemic related restrictions on recruitment activities. Successful engagement with employers – particularly small and medium enterprises in the UK – coupled to the IET's approach towards career stages, professional development and registration provide many opportunities to build lasting relationships.

Fig.1: 2020 Income analysis

	Trading	£3.7m
	Knowledge Services	£24.9m
	Membership & Professional Development	£19.1m
	Education, Policy & Awareness	£1.6m
	Investment & other (incl. donations and legacies)	£3.2m



Within Knowledge Solutions and Services, income demonstrated a year-on-year decrease of 13%, with two main causes. Firstly, the cyclical nature of the 18th Edition IET Wiring Regulations (BS 7671). The 18th Edition was launched in 2018 (mid-year) generating high sales volumes in that year. This is typically followed by lower volume demand in three to four subsequent years until the next Edition (or amendment) is compiled. Secondly, a strategic decision to transition the IET Journals portfolio to a gold open access model with Wiley was announced mid-year. Fees from authors will generate income for the IET commencing in 2021. The transition to open access is regarded as an appropriate response to trends in academic publishing and is a move of particular importance for the IET – supporting a fundamental goal of knowledge sharing and dissemination. Inevitably, the transition has resulted in an expected decline in subscription and content royalty revenues during the second half of 2020. Continuous improvements to Inspec product functionality are being well received in the marketplace and drive engagement with a wide range of organisations around the world.

Expenditure on Charitable Activities in 2020 fell by nearly 12% compared to 2019. Pandemic disruption was experienced across the IET's global activity set, resulting in the suspension and cancellation of many in-person activities for staff, volunteers and members. Project expenditure was also somewhat constrained as aspects of supply chains and IET resources adapted to new ways of working. Wherever possible, the IET's activities have been supplemented with strong levels of remotely delivered engagement. Valuable lessons have been learned by the IET and its stakeholders in terms of what types of interaction are best served in a remote fashion, rather than by a

typically, more costly, in-person format. In order to support sustainable extension of its activities, the IET continues to listen to the preferences of its stakeholders and seeks to deliver high levels of customer satisfaction in the most cost effective way.




Trading activities

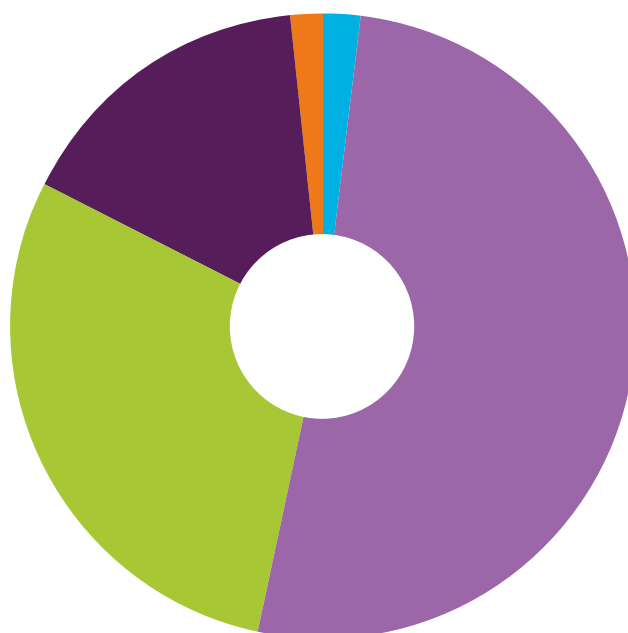
The payments to the IET by its UK trading subsidiaries undertaking activity to raise funds for its charitable purposes are £0.05m (2019: £4.75m).

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. Much of its business was impacted very severely as a result of the COVID-19 pandemic, with the IET's two Venues, Savoy Place and Austin Court closed for large parts of the year in line with UK Government Guidance. Furthermore, no in-person events took place from March 2020 for the remainder of the year.

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). IBC2020 that was due to take place in Amsterdam in September 2020 was cancelled due to the COVID-19 pandemic. IBC instigated a Cash Refund and Voucher Policy that was very successful in mitigating the impact on the IEECL's financial result for the year. IEECL's result for the year was a net profit of £13,000 (2019: profit of £3.0m).

Fig.2: 2020 Expenditure analysis

	Trading	£1.3m
	Knowledge Services	£31.8m
	Membership & Professional Development	£18.1m
	Education, Policy & Awareness	£9.8m
	Fundraising costs and investment management	£0.9m



Balance sheet and cash flow

The IET's Group reserves and net assets, including Restricted Funds, increased in the year by £1.3m (2019: increase of £17.0m). The more significant movements during the year were as follows:

- There were realised and unrealised gains in non-property investments in the year of £11.4m (2019: £17.4m).
- The Savoy Hill House investment property was valued at £20.07m at 31 December 2020 (31 December 2019: £21.65m).
- 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 gains of £0.9m during the year (2019: remeasurement gains of £1.2m).

Additional contributions totalling £1.2m were made to the defined benefit pension scheme during the year (2019: £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 we can maintain our 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 our Strategic Risk Register.

Total charity funds at the end of the reporting period were £185.1m (2019: £184.2m). Included in this total are restricted funds of £16.3m (2019: £15.5m), 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 £28.6m (2019: £29.5m) which could only be realised by disposal of the IET's operational buildings and further amounts of £27.2m (2019: £27.5m) which are reserved to ensure those buildings can be refurbished or replaced over the medium to longer 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 2020 was £98.4m (2019: £98.3m). 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 relation to ensuring the

continuity (and growth) of its charitable activities. With this in mind 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 achieve a balance between achieving and maintaining a robust resilient financial position while using our funds to pursue the IET's long term objectives and mission.

The operations contingency is set at 6 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 shown in Table 1 on the following page.

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 have previously closed the IET scheme to future accrual to mitigate some 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 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 up to £4m per annum for use in the IET's charitable activities. In 2020 the drawdown was £3.4m.

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.

Table 1: Reserves coverage

Charity only	2020 Lower range £m	2020 Upper range £m	2019 Lower range £m	2019 Upper range £m
Operations contingency	28.2	28.2	30.5	30.5
Revaluation contingency	12.4	12.4	11.8	11.8
Pensions (surplus)/deficit (technical basis)	1.3		2.7	
Pensions deficit (gilts-funding basis)		21.5		24.1
Target range for reserves	39.3	62.1	45.0	66.4
Actual reserves	98.4	98.4	98.3	98.3
Reserves coverage	250%	158%	218%	148%

Going concern

The impacts of the COVID-19 pandemic have been felt directly and indirectly by the IET both financially and in respect of delivering some of its charitable activities that have traditionally depended on physical attendance (see note 18 to the accounts).

The Executive team and Board of Trustees response has focussed on the health, safety and wellbeing of its staff and volunteers, together with maintaining charitable activity and impact as much as possible while remaining cognisant of protecting the financial position of the charity. Adaptations to the operational and financial management of the IET have been made to reflect the curtailment of face-to-face activities and some of these are expected to persist over time.

It is a requirement to consider going concern each year, and, although the impacts of the pandemic continue to be significant, and uncertainties remain, the risk mitigations in place, together with a robust reserve position and the availability of liquid investment assets, mean the IET Trustees consider the organisation to continue to be a going concern.

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 a 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 Advisers (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 cashflow requirements to determine tolerance to illiquid asset classes.

The IET's current investment strategy is aimed at providing medium-long term real returns with appropriate management of risk, and delivering greater sustainable income over the long term for restricted funds.

The IET has taken investment advice on its strategy during the year and made the following changes to the investment portfolio for its unrestricted funds:

- The introduction of Multi-Asset Credit (MAC) and Emerging Market Debt (EMD) into the IET's fixed income portfolio to provide a higher yielding fixed income strategy.
- The introduction of Private Market investment into the Institution's portfolio to take advantage of the 'illiquidity premium'. The investment proposed for Private Markets has been set based on a maximum allocation of 15% of the Institution's non-property investment assets, subject to liquidity considerations.

The new strategy (see tables below) seeks to increase expected returns whilst maintaining the Institution's current risk profile through increased diversification of the asset portfolio.

Asset class	Performance benchmark	Strategic Allocation
Private Markets	Not applicable	up to 15%

Other asset classes will be allocated across the balance of the portfolio based on the following ratios:

Asset class	Performance benchmark	Strategic Allocation
Developed Equities	Composite Benchmark comprising of regional indices provided by FTSE and MSCI	36%
Emerging Market Equities	MSCI Emerging Markets Index	4%
Diversified Growth	3 Month Sterling LIBOR +3% per annum	12.5%
Multi-Asset Credit (MAC)	50% ICE BofAML Global High Yield Constrained Index 50% S&P US Leveraged Loans Index	12.5%
Emerging Market Debt (EMD)	J.P. Morgan GBI-EM Global Diversified Index	7.5%
Absolute Return Bonds	3 Month USD LIBOR +4-6% per annum	12.5%
TOTAL		85%

In summary the current approved strategic asset allocations, including the current investment strategy in respect of the Restricted (endowment) funds, is shown below:

	Unrestricted Funds	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 Investment Portfolio is now fully invested in the Multi-Asset Credit (MAC) and Emerging Market Debt (EMD) elements of the strategy, the transactions in respect of which all took place in September 2020. The investment manager for MAC is Oak Hill Advisors and for EMD the investment manager is Mercer. The first Private Market investment took place in January 2021; the Investment Manager is Mercer.

During the year a reallocation of Unrestricted investment assets was made to transfer £12m to liquid cash holdings which are required to meet forecast medium term cash requirements. During the year £4m of this cash was withdrawn from the investment portfolio to the IET's main operational bank account.

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 arising from operational timing differences will be placed on overnight or short to medium term deposit with a UK clearing bank (minimum A risk rated). 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 (e.g. 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 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. The Institution is committed to the principles of good governance and sustainability and reflects that in its investment policy.

The Institution therefore requires its investment managers to have an ESG Policy in place in the selection, retention and realisation of investments, for all asset classes held by the Institution, and that all its managers have 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.

ESG considerations are also a standard part of the selection process when appointing new fund managers.

The Trustees have not excluded any asset type, or individual investments in light of its charitable objectives or ESG policy. However, 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.

The IET Superannuation and Assurance Scheme closed to future accrual on 31 March 2012. As part of the arrangement to close to future accrual the IET created a Security Agreement in favour of the Trustees of the Scheme. As continuing security for the obligations and liabilities of the IET to make payments to the Scheme under the terms of the Security Agreement the IET charged, by way of a first floating charge, a segregated proportion of its investments held. At 31 December 2020, the value of the floating charge was £10m (31 December 2019: £10m).

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 adviser'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 gains and income from the non-

property investment portfolio during the year was £12.4m (2019: net income of £18.2m).

The BlackRock Dynamic Diversified Growth Fund is measured against the fund objective of 3-month LIBOR +3% over a rolling 3 year period. Its average annual performance net of fees over the three years 2018-2020 was LIBOR +4.8% and in 2020 its performance was LIBOR +9.0%. The Fund posted a negative return in Q1 2020 caused primarily by its exposure to equities. Thereafter the Fund posted positive returns in each of the following three Quarters.

The BlackRock Fixed Income Global Opportunities Fund (Unconstrained Bonds) returned 5.7% net of fees in USD terms in 2020. Risk assets such as high yield and Emerging Market Debt (EMD) were sold off heavily in Q1 2020 due to the COVID-19 pandemic. Subsequent to Q1 the Fund performed strongly with positive contributions from a wide range of asset classes. The three year annualised performance 2018-2020 was 3.3%.

The performance compared to Benchmark of the equity constituent funds of the IET's Investment Portfolio with BlackRock for 2020 was as follows:

	Actual 2020	Benchmark 2020	Over/(Under) Performance
Developed Market Equities	16.0%	15.9%	0.1%
UK Equities	(9.6)%	(9.6)%	-
North America Equities	20.0%	19.9%	0.1%
Europe Equities	2.1%	1.8%	0.3%
Japan Equities	14.5%	14.5%	-
Pacific (ex Japan) Equities	6.6%	6.6%	-
Emerging Market Equities	18.0%	18.3%	(0.3)%

Furthermore, the 3 year 2018-2020 performance against Benchmark (annualised) for those equity elements of the BlackRock Portfolio that have been held over that period was as follows:

	Actual 2018-20 Annualised	Benchmark 2018-20 Annualised	Over/(Under) Performance
Developed Market Equities	10.7%	10.5%	0.2%
UK Equities	(0.7)%	(0.7)%	-
North America Equities	14.0%	13.9%	0.1%
Europe Equities	5.4%	4.9%	0.5%
Japan Equities	6.1%	6.1%	-
Pacific (ex Japan) Equities	4.2%	4.2%	-
Emerging Market Equities	6.0%	6.2%	(0.2)%

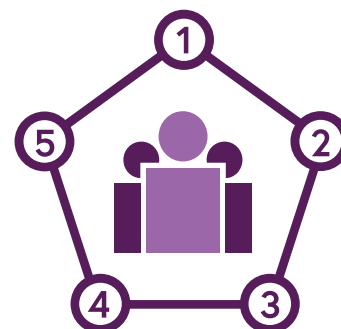
Our plans for the future

Developing our strategic framework

Following the development and launch of our 2030 strategy, we have streamlined our set of Key Performance Indicators to allow us to focus on our strategic themes, which are:



These KPIs are outlined below. In order to ensure that our targets are set at an appropriate level, we benchmarked activity relevant to these metrics throughout 2020. While 2020 presented the Institution and our members with a number of unforeseeable challenges, we feel that these KPIs and their associated targets will push us to provide the best possible environment and services for our members and volunteer communities.



Key performance indicators

Strategic Theme	Key Performance Indicator	2021 Target
Engineering excellence	Annual number of IET members achieving Engineering Council registered status in-year	2,650
Skills, learning and networks	Non-apprentice student and apprentice members below the age of 40 (excluding those in India and China)	34,092
Research solutions	Average Journal Impact Factor	2.000
Innovation and policy	Government Engagement Score	7,593
Education	Engagement with IET Education Activity / Resources	41,200
Enabling metrics	Achievement of annual budgets	£0.3m
	Extent to which volunteers recognise the ways in which their contributions align to the beneficial impacts the IET seeks to deliver	70.5%



Our 150th anniversary gives us a fantastic opportunity to celebrate our rich history. We want to use it to engage and inspire young people so that engineering and technology are seen as a force for good and key to solving many of the biggest challenges facing our world. This seems particularly relevant with the ongoing Coronavirus pandemic, where we know that there are engineers and innovators making a real difference.

IET President,
Professor Danielle George
MBE BSc MSc PhD CEng FIET

IET@150

We can trace our rich history back to the foundation of the Society of Telegraph Engineers, which held its first meeting in London back in May 1871.

Although the world has changed since the Victorian era, one thing that still connects us with our history is that engineers continue to solve many of the challenges facing communities across the globe – making an ongoing difference to the world around us.

Many people still don't understand the work of engineers, or appreciate how much society depends on their skills and innovation to improve our world and make it more sustainable.

Our 150th anniversary gives us a fantastic opportunity to celebrate our rich history. We also want to use it to engage and inspire young people so that engineering and technology are seen as a force for good and key to solving many of the biggest challenges facing our world. We have planned a range of fun and creative activities for the year, which we hope will be the start of an ongoing conversation about the significant positive impact engineers are having, and will continue to have, on our world. Please join us in celebrating not only the engineering and technology achievements of the past 150 years, but also our ambition to inspire the next generation of engineers and technicians and deliver our mission; working to engineer a better world.



Join our #DifferenceMakers

Throughout our anniversary celebrations we want to celebrate #DifferenceMakers from all over the world. These are people who, either through their research, profession or aspiration, are using engineering solutions to solve global challenges. We will connect with young people who want to make a difference by working to ensure our world is more sustainable. We will establish a community of young #DifferenceMakers who will pledge to make a difference, inspire others and develop a long-term relationship with the IET as they continue their education and ultimately make their career choice. We will celebrate existing #DifferenceMakers of all ages from the young to the most honoured and respected in our field with the #DifferenceMaker narrative underpinning all our activities in the anniversary year.

Societal challenges

As detailed in the introduction to this report, the IET's staff and volunteer team has selected five Societal Challenges which are not only important to the IET and the engineering profession in general, but also of paramount importance and relevance to society. Our initial areas of strategic focus, sustainability and climate change, and digital futures were developed in 2020 and we will seek to make a positive impact on these challenges as we move towards 2030. The remainder of our Societal Challenges will be defined during 2021.

Sustainability and climate change

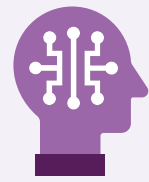


Climate change is a significant, long-term challenge for our society. The responsibility to drastically reduce our impact on the climate falls on all areas, industries and sections of society. Addressing global warming quickly and effectively requires clear leadership, both politically and within industry, and will rely on establishing the infrastructure, systems and governance for long term sustainability. Finding solutions is, without a doubt, the most difficult and important engineering and scientific challenge of our time.

We will accelerate the pace of development and adoption of technology that supports the move towards a zero-carbon future.

In 2021 the IET will undertake and publish research that will inform all areas of IET activity and engagement with our stakeholders. Our progress will be exemplified by representing the voice of the engineering community in our engagement with COP26. By 2030, our goal in this area is to have created a stronger emphasis among policy makers on engineering and technology as a solution to climate change in key areas as advised by our members. Success will be evidenced by measures of engagement with members, engineering enterprise and wider society.

Digital futures



The unfolding age of digitalisation will affect every aspect of modern life and influence societies of the future. From digitally connected products and services to smart cities and factories, digital advancement is becoming increasingly commoditised, transforming the way we live and work.

Modern economies will require wider adoption of trusted digital systems and connectivity to enhance the health and wealth of society. While there is the potential for this to be transformative it will be disruptive to some. Over the next ten years, through the application of standards, regulation and the sharing of best practice the IET will look to help manage the safe implementation of these technologies and build trust in these solutions, to help society embrace the benefits these new systems may bring.

The digital challenge gathers the expertise of the IET around the topic of digitalisation and digital transformation. In the foundation building phase of this challenge, we will develop our understanding of the landscape both in terms of the societal perceptions of digital technologies and our market understanding, to enhance the support we give to members and volunteers.

Establishing ourselves as a leading institutional presence within the UK Cyber Security is a key first step in this challenge. The IET is a key strategic partner for the UK Cyber Security Council and will be the leading institution for the cyber security profession, as reflected in the support we provide to the UK Cyber Security Council on its path to achieve a professional standard and thought leadership.

Structure, governance and management

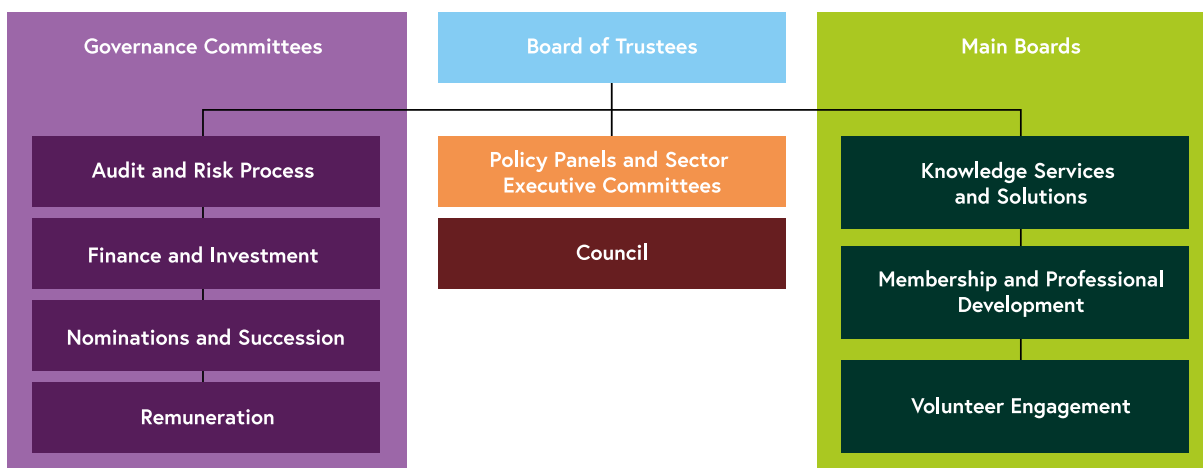
Organisational structure

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 of 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:

- 150th Anniversary of the IET
- A F Harvey Engineering Research Prize
- Appointment of Auditors
- Awards and prizes
- Company Directors
- Complaints
- Corporate Communications Update
- COVID-19
- Cyber Security
- Deeds of Covenant
- Engineering & Technology Magazine
- Equality, Diversity and Inclusion
- Equity Subscription Proposal
- Finance and Performance
- Foothold, The Institution of Engineering and Technology Benevolent Fund
- Gender Pay Gap Report
- Globalisation Team
- Health and Safety
- IET Academy
- IET Financial Plan and IET Strategy 2030
- IET Fundraising Campaign
- IET Partners Concordat
- IET Plan and Budget
- IET Solutions (India) Private Limited
- IET Superannuation and Assurance Scheme
- India New Entity Short-term Cash Advances
- Indian Goods and Services Tax Registration
- Inspec Programme of Work
- Know Your Customer Project
- Legal Update
- Members Annual Information Event
- Membership Subscriptions
- Membership Survey
- Michael Faraday House
- Modern Slavery Act
- President's Address
- Reports from Main Boards, Committees and Council
- Reports from the Chief Executive and Secretary
- Reserves and Match-funding
- Risk Strategy and Appetite
- Safeguarding of Children and Adults at Risk
- Skills Audit of Trustees
- Strategic Development
- Strategic Engagement and Partnerships
- Strategic KPIs and Ten Year Strategy
- Terms of Reference of Boards and Committees
- Trustee Champions
- Trustees Annual Report
- UK Cyber Security Council
- Women's Engineering Society Young Professionals

Fig.4: Governance structure



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 website.

Individual Trustees are appointed to membership of these Boards and Committees alongside non-Trustee members to ensure strong communication

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 organisation 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.

Decision-making

Trustee roles	Appointed (from 1 October)	Retired (from 30 September)	Attendance (actual/ potential)	Other governance roles
Ms Y M Akinola	2018		8/9	Nominations and Succession Committee (from 1 Oct)
Dr C M Arthur (Honorary Treasurer)	2018		9/9	Audit and Risk Process Committee Finance and Investment Committee Knowledge Services and Solutions Board Membership and Professional Development Board Volunteer Engagement Board
Dr I S Belger	2018		7/9	Nominations and Succession Committee
Dr B S Bhangu (Vice President)	2020		2/2	Knowledge Services and Solutions Board (from 1 Oct) Nominations and Succession Committee (from 1 Oct)
Professor P T Blythe (Vice President)	2019		9/9	Membership and Professional Development Board Nominations and Succession Committee
Dr P W Bonfield (President)	2013		9/9	Nominations and Succession Committee Remuneration Committee
Ms J K Bryant (Vice President)	2017	2020	6/7	Audit and Risk Process Committee (until 30 Sep) Finance and Investment Committee (until 30 Sep)
Mr M D Carr	2016	2020	7/7	Nominations and Succession Committee (until 30 Sep) Remuneration Committee
Professor R A Cryan	2020		2/2	Audit and Risk Process Committee (from 1 Oct) Finance and Investment Committee (from 1 Oct) Nominations and Succession Committee (from 1 Oct) Remuneration Committee (from 1 Oct)
Mr J Dunn	2018		9/9	

Trustee roles	Appointed (from 1 October)	Retired (from 30 September)	Attendance (actual/ potential)	Other governance roles
Professor D A George (Deputy President)	2017		9/9	Audit and Risk Process Committee (until 30 Sep) Finance and Investment Committee (until 30 Sep) Nominations and Succession Committee Remuneration Committee
Dr S C A Harrison (Vice President)	2017	2020	7/7	Knowledge Services and Solutions Board (until 30 Sep) Nominations and Succession Committee (until 30 Sep)
Dr A C Harter (Vice President)	2019		9/9	
Miss S E Hubbard	2017	2020	7/7	Audit and Risk Process Committee (until 30 Sep) Finance and Investment Committee (until 30 Sep) Nominations and Succession Committee (until 30 Sep)
Ms R Hurst (Vice President)	2020		2/2	
Dr G Katragadda (Vice President)	2019		9/9	
Professor P M Needham	2020		2/2	Audit and Risk Process Committee (from 1 Oct) Finance and Investment Committee (from 1 Oct)
Ms D E Ohlson (Vice President)	2019		8/9	Nominations and Succession Committee Volunteer Engagement Board
Ms A A Randall	2017	2020	4/7	
Professor K Sugden	2020		2/2	
Air Marshal Sir Julian Young (Deputy President)	2016		8/9	Audit and Risk Process Committee Finance and Investment Committee Nominations and Succession Committee Remuneration Committee

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.

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 in the table above.

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 organisation.

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 2020, we undertook a review into 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 5 April 2020, 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 2019.

The report shows that consistent progress is being made to address our gender pay gap as a result of the focus and actions that have been made over the past two years. Whilst these actions are starting to have a positive impact, it is recognised that it will take time to balance the profile of the organisation and ultimately close the gender pay gap.

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.

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 induction training, skills audits, project management methodologies, the use of professional advisors and the recruitment of staff with specialist skills, including Internal Audit and Compliance.

The most significant strategic risks and uncertainties faced by the IET in 2020 are shown in the table below. The COVID-19 pandemic has been a significant risk crystallisation event in the year. Business continuity management has been used to mitigate Health & Safety threats, while the financial framework has allowed activities to be maintained as much as possible.

A significant transition to an Open Access publishing model in the year, together with development of the Inspec Analytics service is expected to mitigate some threats to the relevance of IETs knowledge services activities.

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
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.
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 guidelines	Policies and procedures in place and 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 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.
Ensuring IET's activities remain financially sustainable	The IET has adopted a financial framework to structure budgeting. Mitigations include forecasting, strategic planning, portfolio management and sound procurement practices.
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. In response to the COVID-19 crisis the Executive-level (GOLD) and Management-level (SILVER) business continuity teams continue to meet, monitor and respond with a focus on both welfare and operational adaptations.
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.
Ability to recruit members and encourage professional development	Virtual engagement significantly increased, maintaining contact and support for engineering employers. Subscription freeze and hardship discounts in place. Professional registrations fully virtual.

Related parties and collaboration with other charities

Details of the IET's subsidiary undertakings are set out 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. IET provides office accommodation to the Women's Engineering Society and Formula 1 in Schools.

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. Each year the staff also selects charities for their own fundraising activity, which for 2020 were:

- Alzheimer's Society
- Autism Bedfordshire
- Blue Cross for Pets
- British Heart Foundation
- Crohn's & Colitis UK
- East Anglian Air Ambulance
- Garden House Hospice
- Helping Herts Homeless
- Lister Kidney Patient Association (LAKPA)
- Macmillan
- The Willow Foundation
- Walk the Walk Uniting Against Breast Cancer

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

Climate change is one of the most significant challenges humankind has ever faced. As a professional engineering institution we have identified sustainability and climate change as a key area of focus and are aligning our activities to support the engineering and technology community as it delivers solutions on the journey to net zero for the benefit of society.

The IET recognises that it needs to show leadership in its own operations and during 2020 we set the target to achieve net-zero greenhouse gas emissions in our own operations within the next 10 years. We are working with Investors in the Environment (IiE) towards accreditation and have calculated a basic carbon footprint using available data from 2019 as our baseline year.

In the year ahead we are looking to refine the measurement of our carbon footprint, ensure our refurbishment of Michael Faraday House achieves a BREEAM rating of Excellent, investigate opportunities in our supply chain and embed some of the carbon savings from reduced travel to work as the COVID-19 pandemic recedes.

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 published with a link to the home page on its website. This includes the IET.

The IET recognises the risks of modern slavery are higher in some parts of the world in which it operates membership and other activities and takes these risks very seriously. 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 theiet.org/membership/career/ethics/whistleblowing-employers.cfm as well as having a staff policy on whistleblowing. We also have 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.

Actions to minimise risk of slavery

The IET takes a multifaceted approach, which includes:

In 2016, the IET requested that its suppliers confirm the measures they had in place to combat slavery and human trafficking.

In 2016-2019, contracts with significant new suppliers, or new suppliers in sectors or countries where the risk of slavery is higher, include clauses regarding anti-slavery measures.

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

In 2019 the IET employed a dedicated Property and Procurement Manager whose role includes overseeing the supplier process as part of its ongoing commitment to improving processes.

In 2020 the IET signed a significant contract for the refurbishment of its main office, Michael Faraday House. Anti-Slavery commitments were included within that contract and there will be regular site inspections to monitor working practice on site.

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.

In 2020 we reviewed our outsourced IT to ensure adequate anti-slavery processes were in place.

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 offer of employment given and a police and reference check prior to start date (double-stage process);
- Conducting regular salary reviews to ensure that staff get 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 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.

COVID-19

As a result of the pandemic the IET is continuously reviewing its procedures and risk assessment and will be assessing whether there are any new or increased modern slavery risks, and whether any re-prioritisation of previously identified risks in our operations and supply chain needs to occur.

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 19 April 2021.

Reference and administrative information

This information is included on page 95.

Statement of trustees' responsibilities

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

The law applicable to charities in England and Wales and in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the group and of the incoming resources and application of resources of the charity and of the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Trustees Report on pages 6 to 48 was approved by the Trustees on 19 April 2021 and signed on their behalf by:



A handwritten signature in black ink that reads "D A. George".

Professor Danielle George MBE BSc MSc
PhD CEng FIET,

President

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 2020 and of the Group's and parent charity'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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 6 & 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010

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 2020 which comprise the consolidated and parent charity statement of financial activities, the consolidated and parent charity balance sheets, 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 are 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Trustees Annual Report and Accounts, other than the financial statements and our auditor's report thereon. The other information comprises: the Introduction from the President and Chief Executive and Secretary, the Report of the Trustees and the Legal and Administrative Information. The Trustees are responsible for the other information. 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- adequate 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 determines 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 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 and 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. Auditing standards limit the required audit procedures to enquiry of Those Charged with Governance and other management as well as inspection of regulatory and legal correspondence if any.

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.

BDO LLP

BDO LLP, statutory auditor
Gatwick, UK
Date: 29 April 2021

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 2020

	Notes	Unrestricted Funds 2020 £000	Restricted & Endowment Funds 2020 £000	Total Funds 2020 £000	Unrestricted Funds 2019 £000	Restricted & Endowment Funds 2019 £000	Total Funds 2019 £000
INCOME AND ENDOWMENTS FROM:							
Donations and legacies		1	449	450	137	397	534
Trading activities	2	3,737	-	3,737	11,437	-	11,437
Investment and other incomes	3	2,442	294	2,736	2,114	319	2,433
Charitable Activities							
Education, policy & awareness		189	1,410	1,599	343	92	435
Knowledge services and solutions		24,898	-	24,898	28,684	-	28,684
Membership & professional development		19,100	-	19,100	19,142	-	19,142
Share of profit in joint ventures	2	13	-	13	2,969	-	2,969
Total		50,380	2,153	52,533	64,826	808	65,634
EXPENDITURE ON:							
Raising Funds							
Fundraising costs		327	-	327	364	-	364
Trading activities		1,290	-	1,290	5,137	-	5,137
Investment management fees		562	48	610	552	43	595
Charitable Activities							
Education, policy & awareness		7,110	2,696	9,806	6,509	1,324	7,833
Knowledge services and solutions		31,779	-	31,779	34,878	-	34,878
Membership & professional development		18,055	-	18,055	18,457	-	18,457
Total	5	59,123	2,744	61,867	65,897	1,367	67,264
Net (losses)/gains on investment	9	8,472	1,353	9,825	15,250	2,175	17,425
Net income/(expenditure)		(271)	762	491	14,179	1,616	15,795
Other recognised (losses)/gains:							
Remeasurements of net defined benefit pension schemes	17a	877	-	877	1,240	-	1,240
Foreign exchange (losses) arising on retranslation of foreign subsidiaries		(52)	-	(52)	(56)	-	(56)
Net movement in funds		554	762	1,316	15,363	1,616	16,979
Reconciliation of funds:							
Total funds brought forward		169,490	15,492	184,982	154,127	13,876	168,003
Total funds carried forward	16	170,044	16,254	186,298	169,490	15,492	184,982

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 2020

	Notes	Unrestricted Funds 2020 £000	Restricted & Endowment Funds 2020 £000	Total Funds 2020 £000	Unrestricted Funds 2019 £000	Restricted & Endowment Funds 2019 £000	Total Funds 2019 £000
INCOME AND ENDOWMENTS FROM:							
Donations and legacies							
Qualifying charitable donations due to the IET	2	54	-	54	4,752	-	4,752
Other donations and legacies		1	449	450	137	397	534
Investment and other income	3	4,850	294	5,144	7,010	319	7,329
Charitable Activities							
Education, policy & awareness		189	1,410	1,599	343	92	435
Knowledge services and solutions		24,757	-	24,757	28,490	-	28,490
Membership & professional development		18,764	-	18,764	18,597	-	18,597
Total		48,615	2,153	50,768	59,329	808	60,137
EXPENDITURE ON:							
Raising Funds							
Fundraising costs		327	-	327	364	-	364
Investment management fees		562	48	610	552	43	595
Charitable Activities							
Education, policy & awareness		7,110	2,696	9,806	6,509	1,324	7,833
Knowledge services and solutions		31,870	-	31,870	34,925	-	34,925
Membership & professional development		17,936	-	17,936	18,071	-	18,071
Total	5	57,805	2,744	60,549	60,421	1,367	61,788
Net gains on investment	9	8,472	1,353	9,825	15,250	2,175	17,425
Net (expenditure)/income		(718)	762	44	14,158	1,616	15,774
Other recognised (losses)/gains:							
Remeasurements of net defined benefit pension schemes	17a	877	-	877	1,240	-	1,240
Net movement in funds		159	762	921	15,398	1,616	17,014
Reconciliation of funds:							
Total funds brought forward		168,681	15,492	184,173	153,283	13,876	167,159
Total funds carried forward	16	168,840	16,254	185,094	168,681	15,492	184,173

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

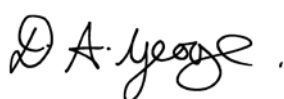
Consolidated and IET Balance Sheets

as at 31 December 2020

	Notes	Group		Charity	
		2020 £000	2019 £000	2020 £000	2019 £000
Fixed assets					
Intangible assets	7	-	-	-	81
Tangible assets	8	28,584	29,549	28,578	29,540
Investments	9c	160,715	143,050	161,651	142,477
Total fixed assets		189,299	172,599	190,229	172,098
Current assets					
Stock and work in progress	10	270	239	265	239
Debtors	11	10,052	11,908	9,385	12,977
Investments	9c	5,286	19,582	5,286	19,582
Cash at bank and in hand		5,815	8,074	3,251	4,550
Total current assets		21,423	39,803	18,187	37,348
Liabilities					
Creditors: Amounts falling due within one year	12	(19,725)	(20,652)	(18,623)	(18,505)
Net current assets/(liabilities)		1,698	19,151	(436)	18,843
Total assets less current liabilities					
Creditors: Amounts falling due after more than one year	13	(4,535)	(4,585)	(4,535)	(4,585)
Net assets excluding pension liability		186,462	187,165	185,258	186,356
Defined benefit pension scheme liability	17	(164)	(2,183)	(164)	(2,183)
Total net assets		186,298	184,982	185,094	184,173
FUNDS					
Endowment funds		15,278	14,726	15,278	14,726
Restricted income funds		849	753	849	753
Other restricted items		127	13	127	13
Restricted funds	16	16,254	15,492	16,254	15,492
Unrestricted funds	16	170,208	171,673	169,004	170,864
Unrestricted funds		170,208	171,673	169,004	170,864
Pension reserve	17	(164)	(2,183)	(164)	(2,183)
Total funds	16	186,298	184,982	185,094	184,173

The Notes on pages 64 to 94 form part of these financial statements.

Approved and authorised for issue by the Trustees on 19 April 2021 and signed on their behalf by:



Professor Danielle George MBE BSc MSc
PhD CEng FIET,
President



Dr Colin Arthur BEng PhD MIET
Honorary Treasurer

Consolidated Statement of Cash Flows

for the year ended 31 December 2020

	2020 £000	2019 £000
Cash flows from operating activities:		
Net cash used in operating activities	(8,337)	(4,299)
Cash flows from investing activities:		
Interest received	102	168
Rent receivable	1,155	1,222
Share of profit in joint ventures	12	2,969
Income from non-property investments	957	718
Investment management fees	(610)	(595)
Purchase of tangible fixed assets	(859)	(783)
Proceeds from sale of tangible fixed assets	-	1,098
Purchase of investments	(28,239)	(4,594)
Cash withdrawn from/(placed on) short term deposit	2,000	(2,000)
Sale of investments	19,396	21,832
Net cash (used in)/provided by investing activities	(6,086)	20,035
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:	(14,555)	15,604
Cash and cash equivalents at 1 January	25,656	10,052
Cash and cash equivalents at 31 December	11,101	25,656
Reconciliation of net income to net cash flow from operating activities		
	2020 £000	2019 £000
Net income	491	15,795
Depreciation and amounts written off in connection with assets no longer in use	1,824	2,113
Profit on disposal of tangible fixed assets	-	(203)
Net gains on investments	(9,825)	(17,425)
Adjustment to carrying value of joint venture	1,003	(36)
Unwinding of discount on finance lease	130	132
Foreign exchange (losses) arising on retranslation of foreign subsidiaries	(52)	(56)
(Increase)/decrease in stocks	(31)	109
Decrease in debtors	1,856	205
(Decrease)/increase in creditors	(975)	622
Add back of non-cash FRS 102 charge in respect of defined benefit schemes	46	139
Contributions paid to defined benefit schemes	(1,188)	(1,212)
Interest received	(102)	(168)
Share of profit in joint ventures	(12)	(2,969)
Rent receivable	(1,155)	(1,222)
Income from non-property investments	(957)	(718)
Investment management fees	610	595
Net cash used in operating activities	(8,337)	(4,299)
Analysis of cash and cash equivalents		
	2020 £000	2019 £000
Short term cash investments	5,286	17,582
Cash at bank and in hand	5,815	8,074
	11,101	25,656

	At 31 December 2019 £000	Cashflows £000	Unwinding of discount on finance lease obligation £000	At 31 December 2020 £000
Analysis of changes to net debt				
Cash at bank and in hand	8,074	(2,259)	-	5,815
Cash held as part of the fixed asset investment portfolio	17,582	(12,296)	-	5,286
Finance lease obligations	(3,248)	132	(130)	(3,246)
	22,408	(14,423)	(130)	7,855

The significant increase in Investment Cash held at 31 December 2019 was due to the sale of the IET's Unrestricted Funds holdings of Index-linked Gilts which were sold during that year and at that date was held in BlackRock's Sterling Liquidity Fund pending allocation to the new investment strategy.

Notes forming part of the financial statements

for the year ended 31 December 2020

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 taken account of current and anticipated financial performance, liquidity, its reserves position and the ability to draw down on readily realisable investments as required in light of the impacts experienced and expected of the COVID-19 crisis. 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 17 for more information) and the accounting treatment 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 9).

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. 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 using the 'Performance model' (as defined in FRS 102). This means that income is recognised only when performance related conditions are met, or, 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.

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 or area occupied 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 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

Goodwill

Purchased goodwill is the difference between the fair value of net assets acquired and the fair value of consideration paid. Goodwill is capitalised as an intangible asset and amortised over its useful life which is estimated by the Trustees.

Goodwill is being written off on a straight-line basis over 5 years.

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 Michael Faraday House are capitalised at historic cost. The IET's Regional Centre 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 8 for further detail).

Investments

Non-property investments are included in the balance sheet at fair value, being the quoted bid price where available. 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 is included in the Balance Sheet at fair market value in accordance with FRS 102 and 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".

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.

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 16.

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 17. 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

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.

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.

2. Trading activities and subsidiaries

The Group's financial statements incorporate all the IET's wholly owned subsidiary companies. Throughout 2020 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 2020 £000	IETSL 2019 £000	IEECL 2020 £000	IEECL 2019 £000
Turnover – external	3,737	11,437	-	-
Turnover – intercompany	4,446	4,325	-	-
Turnover - total	8,183	15,762	-	-
Share of Joint Venture profits	-	-	13	2,978
Cost of Sales	(7,076)	(12,822)	-	-
Gross Profit	1,107	2,940	13	2,978
Distribution Costs	(1,058)	(1,087)	-	-
Administration Expenses	10	(30)	-	(3)
Operating Profit	59	1,823	13	2,975
Net Interest Payable and Similar Charges	(18)	(40)	-	-
Profit on Ordinary Activities before Tax	41	1,783	13	2,975
Tax on ordinary activities	-	-	-	(6)
Profit for the Financial Year	41	1,783	13	2,969
Statement of Changes in Equity:				
Balance at 1 January	-	-	116	116
Profit for the Financial Year	41	1,783	13	2,969
Qualifying charitable donations due to the IET	(41)	(1,783)	(13)	(2,969)
Balance at 31 December	-	-	116	116
Comprising:				
- assets	2,547	4,593	131	1,127
- liabilities	(2,547)	(4,593)	15	(1,011)

None of the Directors of IETSL or IEECL receives any remuneration for their services.

2a. Other subsidiaries

The IET has four significant wholly-owned subsidiaries registered outside England & Wales and Scotland to support its charitable activities.

IET USA, Inc. is located in Edison, New Jersey. 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 U80903KA2007NPLO44461, 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) now only carries on Local Network activity in India. IET Services (India) Private Limited (IET Services (India)), company registration number U93000KA2012FTC064117 (IET Services (India)) 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.

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 significant non-UK subsidiaries for the year were as follows:

	IET USA Inc. £000	IET (India) £000	IET Services (India) £000	IET (Beijing) £000	Total 2020 £000	Total 2019 £000
External income	469	5	137	225	836	1,259
Intragroup income	790	89	425	656	1,960	2,290
External expenditure	(811)	(90)	(469)	(719)	(2,089)	(2,731)
Intragroup expenditure	(328)	-	(56)	-	(384)	(525)
Dividend payable to the IET	-	-	-	-	-	(372)
Funds (used by)/retained by the subsidiary	120	4	37	162	323	(79)
Net assets	489	173	432	718	1,812	1,539

3. Investment and other income

	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Income from equities	540	562	540	562
Income from bonds	417	156	417	156
Interest received on cash	102	168	94	152
Rent receivable	1,155	1,222	1,155	1,222
Profit on disposal of tangible fixed assets	-	203	-	203
Dividend receivable	-	-	-	386
Other income received from subsidiary undertakings	-	-	2,416	4,526
Other income - external	522	122	522	122
	2,736	2,433	5,144	7,329

4. Net income/(expenditure)

This is stated after charging:

	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Depreciation	1,802	2,113	1,799	2,111
Foreign exchange gains arising on transactions	(152)	(170)	(136)	(193)
Payments under operating leases:				
- Land and buildings rents	527	627	364	456
- Other	22	29	18	25
Auditor's remuneration:				
- Statutory Audit	64	54	57	49
- Taxation	44	46	39	41

5. Analysis of total expenditure

Group	Direct costs £000	Grant funding of activities £000	Support costs (Note 5a) £000	Total 2020 £000	Total 2019 £000
Charitable activities					
Education, policy & awareness	6,049	1,027	2,730	9,806	7,833
Knowledge services and solutions	19,471	-	12,308	31,779	34,878
Membership & professional development	9,633	-	8,422	18,055	18,457
Total charitable activities expenditure	35,153	1,027	23,460	59,640	61,168
Fundraising costs	135	-	192	327	364
Trading activities	1,290	-	-	1,290	5,137
Investment management fees	610	-	-	610	595
Total group expenditure	37,188	1,027	23,652	61,867	67,264

IET	Direct costs £000	Grant funding of activities £000	Support costs (Note 5a) £000	Total 2020 £000	Total 2019 £000
Charitable activities					
Education, policy & awareness	6,051	1,025	2,730	9,806	7,833
Knowledge services and solutions	19,562	-	12,308	31,870	34,925
Membership & professional development	9,514	-	8,422	17,936	18,071
Total charitable activities expenditure	35,127	1,025	23,460	59,612	60,829
Fundraising costs	135	-	192	327	364
Investment management fees	610	-	-	610	595
Total charitable expenditure	35,872	1,025	23,652	60,549	61,788

5a. Support costs

Group and IET	Finance & corporate £000	IT £000	Human resources £000	Property & offices £000	Governance £000	Total 2020 £000	Total 2019 £000
Fundraising costs	61	62	13	53	3	192	223
Charitable activities							
Education, policy & awareness	875	876	182	759	38	2,730	2,518
Knowledge services and solutions	3,943	3,949	822	3,423	171	12,308	12,499
Membership & professional development	2,698	2,702	563	2,342	117	8,422	8,647
Total charitable expenditure	7,577	7,589	1,580	6,577	329	23,652	23,887

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

5b. Analysis of grants – Group

	Grant to institution 2020 £000	Grants to individuals 2020 £000	Support costs 2020 £000	Total 2020 £000	Grant to institution 2019 £000	Grants to individuals 2019 £000	Support costs 2019 £000	Total 2019 £000
Education, policy & awareness								
Research	344	-	1	345	314	-	14	328
Scholarships, awards and prizes	-	606	56	662	-	474	17	491
Hardship and financial assistance	-	20	-	20	-	34	-	34
Total	344	626	57	1,027	314	508	31	853

	Grant to institution 2020 Number	Grants to individuals 2020 Number	Support costs 2020 Number	Total 2020 Number	Grant to institution 2019 Number	Grants to individuals 2019 Number	Support costs 2019 Number	Total 2019 Number
Education, policy & awareness								
Research	1	-	-	1	1	-	-	1
Scholarships, awards and prizes	-	187	-	187	-	142	-	142
Hardship and financial assistance	-	21	-	21	-	33	-	33
Total	1	208	-	209	1	175	-	176

5c. Analysis of grants – Charity

	Grant to institution 2020 £000	Grants to individuals 2020 £000	Support costs 2020 £000	Total 2020 £000	Grant to institution 2019 £000	Grants to individuals 2019 £000	Support costs 2019 £000	Total 2019 £000
Education, policy & awareness								
Research	344	-	1	345	314	-	14	328
Scholarships, awards and prizes	-	604	56	660	-	479	17	496
Hardship and financial assistance	-	20	-	20	-	34	-	34
Total	344	624	57	1,025	314	513	31	858

	Grant to institution 2020 Number	Grants to individuals 2020 Number	Support costs 2020 Number	Total 2020 Number	Grant to institution 2019 Number	Grants to individuals 2019 Number	Support costs 2019 Number	Total 2019 Number
Education, policy & awareness								
Research	1	-	-	1	1	-	-	1
Scholarships, awards and prizes	-	186	-	186	-	148	-	148
Hardship and financial assistance	-	21	-	21	-	33	-	33
Total	1	207	-	208	1	181	-	182

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 École Polytechnique Fédérale de Lausanne. The host organisation in 2019 was Stanford University.

6. Employees

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

	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Payroll costs:				
Salaries and overtime	23,828	22,680	21,233	20,182
Social Security	2,531	2,441	2,272	2,142
Pension and other benefits				
- defined benefit pension schemes	46	139	46	139
- defined contribution pension scheme	2,511	2,312	2,330	2,147
- other payments	502	561	399	454
Operating costs of defined benefit schemes	430	655	430	655
Termination payments	381	76	381	76
	30,229	28,864	27,091	25,795

The average monthly number of staff employed by the IET in the year was 604 (2019: 581) and by the Group was 670 (2019: 646), made up as follows:

	Group 2020 Number	Group 2019 Number	Charity 2020 Number	Charity 2019 Number
Charitable activities	631	609	601	578
Trading activities	36	34	-	-
Governance	3	3	3	3
	670	646	604	581

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

	Group 2020 Number	Group 2019 Number	Charity 2020 Number	Charity 2019 Number
£60,000 - £69,999	21	17	16	13
£70,000 - £79,999	17	14	15	12
£80,000 - £89,999	8	9	6	7
£90,000 - £99,999	1	4	1	3
£100,000 - £109,999	3	2	3	2
£110,000 - £119,999	2	3	2	3
£120,000 - £129,999	2	2	2	1
£130,000 - £139,999	2	1	1	1
£150,000 - £159,999	1	1	1	1
£160,000 - £169,999	-	-	-	-
£170,000 - £179,999	2	1	1	1
£180,000 - £189,999	1	1	1	1
£200,000 - £209,999	-	1	-	-
£360,000 - £369,999	1	-	1	-
£370,000 - £379,999	-	1	-	1

For the Group seven of the above employees (2019: seven) and for the Charity seven of the above employees (2019: seven) were deferred members of the defined benefit IET Superannuation and Assurance Scheme.

For the Group, 52 employees were members of the IET's defined contribution scheme (2019: 47).

For the Group, pension payments in respect of the relevant employees to the defined contribution scheme totalled £609,027 (2019: £538,679).

For the Charity, 49 employees were members of the IET's defined contribution scheme (2019: 44).

For the Charity, pension payments in respect of the relevant employees to the defined contribution scheme totalled £552,793 (2019: £490,686).

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 £1,505,590 (2019: £1,481,276). In addition, employer's national insurance contributions were £179,914 (2019: £176,879). Of these amounts £nil (2019: £nil) related to the Trustees. However, three of the Trustees benefited from contracts with entities within the IET group in the year, the details of which are set out in Note 15.

The emoluments of the CES, including benefits in kind, amounted to £365,535 in the year (2019: £374,413), including payments in lieu of pension contributions. The CES is not a member of any IET pension scheme and no contributions are made to any other pension arrangements by the IET.

During the year, travelling and subsistence expenses totalling £9,339 were incurred by seven members of the Executive Team considered key management personnel on behalf of the IET (2019: £76,898 by eight members of the Executive Team).

7. Intangible fixed assets – Charity

	Goodwill £000
Cost:	
At 1 January 2020	407
At 31 December 2020	407
Amortisation:	
At 1 January 2020	326
Charge for the year	81
At 31 December 2020	407
Net book value:	
At 31 December 2020	-
At 31 December 2019	81

The business, operations, goodwill and stock of SciTech Publishing, Inc. were transferred by IET USA, Inc. to the IET on 31 December 2015. IET USA, Inc. is a wholly owned subsidiary of the IET. Goodwill is being written off on a straight-line basis over 5 years.

8. Tangible fixed assets – Group

	Long Leasehold buildings £000	Freehold building - Michael Faraday House £000	Mechanical and Electrical Installations £000	Furniture, fittings and equipment £000	Computers and Electronic Equipment £000	Total £000
Cost						
At 1 January 2020	16,902	6,474	12,538	3,446	3,477	42,837
Additions	-	461	-	120	278	859
Disposals	-	-	-	(62)	-	(62)
At 31 December 2020	16,902	6,935	12,538	3,504	3,755	43,634
Accumulated Depreciation:						
At 1 January 2020	1,994	3,355	3,170	1,541	3,228	13,288
Depreciation for the year	352	109	871	282	188	1,802
Disposals	-	-	-	(40)	-	(40)
At 31 December 2020	2,346	3,464	4,041	1,783	3,416	15,050
Net book value:						
At 31 December 2020	14,556	3,471	8,497	1,721	339	28,584
At 31 December 2019	14,908	3,119	9,368	1,905	249	29,549

8a. Tangible fixed assets – IET

	Long Leasehold buildings £000	Freehold building - Michael Faraday House £000	Mechanical and Electrical Installations £000	Furniture, fittings and equipment £000	Computers and Electronic Equipment £000	Total £000
Cost:						
At 1 January 2020	16,902	6,474	12,538	3,384	3,477	42,775
Additions	-	461	-	120	278	859
Disposals	-	-	-	(62)	-	(62)
At 31 December 2020	16,902	6,935	12,538	3,442	3,755	43,572
Accumulated Depreciation:						
At 1 January 2020	1,994	3,355	3,170	1,488	3,228	13,235
Depreciation for the year	352	109	871	279	188	1,799
Disposals	-	-	-	(40)	-	(40)
At 31 December 2020	2,346	3,464	4,041	1,727	3,416	14,994
Net book value:						
At 31 December 2020	14,556	3,471	8,497	1,715	339	28,578
At 31 December 2019	14,908	3,119	9,368	1,896	249	29,540

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. While the reading rooms have been closed this year due to COVID-19, we are continuing to provide a remote enquiry service and members can use our Virtual Library resources at theiet.org/publishing/library-archives/the-virtual-library/.

9. Investments – Group

	Non-property investments £000	Investment property £000	Total £000
At 1 January 2020	137,734	24,898	162,632
Acquisitions at Cost	28,239	-	28,239
Proceeds from Sale of Investments	(19,396)	-	(19,396)
Decrease in Current Asset Investments	(14,296)	-	(14,296)
Net Investment Gains/(Losses)	11,402	(1,577)	9,825
Adjustment to carrying value of joint venture	(1,003)	-	(1,003)
At 31 December 2020	142,680	23,321	166,001
Finance lease relating to investment property (Notes 12 and 13)	-	(3,246)	(3,246)
Total net investments	142,680	20,075	162,755
Historical Cost at 31 December 2020	132,157	7,227	139,384
Unrealised Gains	10,523	12,848	23,371
Realised Gains based on historic cost	8,732	-	8,732

9a. Investments – IET

	Non-property investments £000	Investment property £000	Investments held at cost £000	Total £000
At 1 January 2020	136,606	24,898	555	162,059
Acquisitions at Cost	28,239	-	506	28,745
Proceeds from Sale of Investments	(19,396)	-	-	(19,396)
Decrease in Current Asset Investments	(14,296)	-	-	(14,296)
Net Investment Gains/(Losses)	11,402	(1,577)	-	9,825
At 31 December 2020	142,555	23,321	1,061	166,937
Finance lease relating to investment property (Notes 12 and 13)	-	(3,246)	-	(3,246)
Total net investments	142,555	20,075	1,061	163,691
Historical Cost at 31 December 2020	132,055	7,227	1,061	140,343
Unrealised Gains	10,500	12,848	-	23,348
Realised Gains based on historic cost	8,732	-	-	8,732

The Investment Property for both the Group and the IET (Savoy Hill House) was valued as at 31 December 2020 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 2017* ("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 IET occupies part of Savoy Hill House and uses it for its own use. The owner-occupied element is not considered to be significant and cannot easily be sold or leased out separately. As such, the whole of the property is accounted for as an investment property.

9b. Floating charge

The IET Superannuation and Assurance Scheme (the Scheme) closed to future accrual on 31 March 2012.

As part of the arrangement to close to future accrual the IET created a Security Agreement in favour of the Trustees of the Scheme. As continuing security for the obligations and liabilities of the IET to make payments to the Scheme under the terms of the Security Agreement the IET charged, by way of a first floating charge, a proportion of its investments held with the BlackRock Investment Manager. At 31 December 2020, the value of the assets subject to the floating charge was £34.9m (31 December 2019: £45.2m). At 31 December 2020 the value of the floating charge itself was £10m (31 December 2019: £10m).

9c. Analysis of Investments

	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Fixed asset investments				
Investment property	23,321	24,898	23,321	24,898
Investments in subsidiary undertakings	-	-	1,061	555
Investments in joint ventures	125	1,128	-	-
Listed investments:				
- Equities	60,384	68,328	60,384	68,328
- Bonds	40,368	16,079	40,368	16,079
- Mixed Fund	32,445	32,617	32,445	32,617
Cash	4,072	-	4,072	-
Total fixed asset investments	160,715	143,050	161,651	142,477
Current asset investments				
Cash held as part of the fixed asset investment portfolio	5,286	17,582	5,286	17,582
Cash on deposit	-	2,000	-	2,000
Total current asset investments	5,286	19,582	5,286	19,582
Total investments	166,001	162,632	166,937	162,059

	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
UK	66,531	68,648	67,212	67,820
Non-UK	99,470	93,984	99,725	94,239
	166,001	162,632	166,937	162,059

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 2020 and considered that no change in their carrying value was required.

10. Stocks

	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Publications and work in progress	270	239	265	239

11. Debtors

	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Trade debtors	2,896	3,315	2,461	1,730
Other debtors	712	535	548	377
Accrued income	4,451	5,299	4,425	5,131
Payments in advance	1,993	2,759	1,624	2,330
Amounts due from subsidiaries	-	-	327	3,409
	10,052	11,908	9,385	12,977

Included within 'Amounts due from subsidiaries' of the charity is a loan of £300,000 (2019: £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.

12. Creditors: Amounts falling due within one year

	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Accruals for grants payable	1,181	860	1,181	860
Trade creditors	1,341	1,389	1,218	1,224
Obligations under finance leases	132	132	132	132
Taxation and NI costs	796	748	684	601
Other creditors	948	995	933	978
Accruals	5,309	5,754	4,578	4,750
Amounts received in advance	10,018	10,774	9,167	9,841
Amounts due to subsidiaries	-	-	730	119
	19,725	20,652	18,623	18,505

'Amounts received in advance' represent income from subscriptions relating to future periods. Substantially all of the receipts in advance as at 31 December 2019 were released to the Statement of Financial Activities in the year ended 31 December 2020. Accruals include termination payments of £310,026 (2019: £16,605).

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 2020 £000	Group and Charity 2019 £000
Funds held as at 1 January	572	381
Funds received in year	2,363	2,270
Funds transferred to third parties	(2,387)	(2,079)
Funds held at 31 December	548	572

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

	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Accruals for grants payable	1,421	1,467	1,421	1,467
Obligations under finance leases:				
- later than one year and not later than five years	477	477	477	477
- later than five years	2,637	2,639	2,637	2,639
Other creditors	-	2	-	2
	4,535	4,585	4,535	4,585

14. 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 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Land and buildings, expiry date:				
- within one year	111	170	38	170
- between two and five years	621	517	529	119
- after five years	19,474	18,221	19,474	18,221
	20,206	18,908	20,041	18,510
Vehicles and equipment, expiry date:				
- within one year	6	-	3	-
- between two and five years	11	37	11	31
	17	37	14	31

The total of future minimum lease payments in respect of finance leases for the Group and Charity are as disclosed in Notes 12 and 13 - '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 2020 to be £10,436,000 (31 December 2019: £2,047,000). The present value in the current year is based on an updated discount factor of 1% (2019: 4%) to reflect current long term gilt yield estimates.

15. Trustees and related party transactions

During the year, travelling and subsistence expenses totalling £11,373 were incurred by 11 Trustees on behalf of the IET (2019: £55,865 by 15 Trustees). None of the Trustees, or persons connected with them, received remuneration for any service to the IET this year or last year.

Dr Peter Bonfield (Trustee, IET President from 1 October 2019 to 30 September 2020) is Vice-Chancellor at the University of Westminster. The IET had amounts receivable during the year from the University of Westminster of £650 plus VAT (2019: £5,147). £650 plus VAT was receivable in respect of fees for academic accreditation (2019: £1,300 plus VAT), £Nil was receivable in respect of membership fees (2019: £1,080) and £Nil was receivable in respect of events (2019: £2,089 plus VAT). There were outstanding amounts due at 31 December 2020 of £650 plus VAT (31 December 2019: £2,979 plus VAT).

Mr Nick Winser (Trustee during the period to 30 September 2019) is Chairman of The Energy Systems Catapult (ESC). IET Services Limited received £5,678 plus VAT from ESC during 2019 in respect of room hire, equipment hire and catering. There were no outstanding amounts due at 31 December 2020 (2019: £450 plus VAT). IET received £1,500 plus VAT from ESC during 2019 in respect of advertising. There were no outstanding amounts due at 31 December 2020 (2019: £Nil).

Dr Simon Harrison (Trustee during the period to 30 September 2020) is Group Strategic Development Manager of Mott MacDonald. IET Services Limited had amounts receivable from Mott MacDonald in 2020 of £4,516.50 plus VAT (2019: £3,072 plus VAT) for room hire, equipment hire and catering. There were no outstanding amounts due at 31 December 2020 (31 December 2019: £Nil). IET had amounts receivable from Mott MacDonald in 2020 of £14,250 for digital subscriptions (2019: £940 plus VAT for management fees for the Power Academy Project). There were amounts due at 31 December 2020 of £14,250 (31 December 2019: £940 plus VAT).

Mr Sheahan Verghese (a Director for IET Services (India) Private Limited ("ISC") and Institution of Engineering and Technology ("IET India")), is also an owner in Tree of Life Associates ("TLA"). ISC had amounts payable to TLA in 2020 of INR 1,440,960 / £15,252 (2019: INR 1,440,000 / £16,110) relating to general corporate law advisory services. There were outstanding amounts payable of INR 120,000 / £1,201 at 31 December 2020 (31 December 2019: INR 120,000 / £1,283). IET India had amounts payable to TLA in 2020 of INR 480,000 / £5,080 (2019: INR 480,000 / £5,370) relating to general corporate law advisory services. There were outstanding amounts payable of INR 40,000 / £400 at 31 December 2020 (31 December 2019: INR 40,000 / £428). IET had amounts payable to TLA in 2020 of INR 1,305,000 / £13,813 (2019: £Nil) relating to general corporate law advisory services. There were outstanding amounts payable of INR 345,000 / GBP 3,454 at 31 December 2020 (31 December 2019: £Nil).

The IET made gross payments during the year of £Nil (2019: £1,740) for services rendered under a temporary employment contract, to the son of Mr. Edward Almond who is Director of Finance and Planning at the IET.

The Institution of Engineering and Technology Benevolent Fund (known as "Foothold") provide benevolent services to IET members and staff. Mrs Jayne Bryant (Trustee during the period to 30 September 2020) was a trustee of Foothold during the period to 30 September 2020. 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 2020 of £576,798 (2019: £373,994) principally relating to staff related costs, travel, and subscriptions to outside bodies and £2,550 (2019: £1,815) relating to IET group memberships. Amounts receivable of £227,643 were outstanding at 31 December 2020 (31 December 2019: £33,706). The IET had amounts payable to Foothold in 2020 of £409,268 (2019: £344,311) relating to donations collected on behalf of Foothold and £221 (2019: £265) relating to room hire and catering. There were amounts payable of £39,650 at 31 December 2020 (31 December 2019: £Nil).

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

Entity	Relationship	Ownership	Income 2020 £000	Expenditure 2020 £000	Debtor/ (creditor) at 31 Dec 2020 £000	Income 2019 £000	Expenditure 2019 £000	Debtor/ (creditor) at 31 Dec 2019 £000
IET Services Limited	Subsidiary	100%	6,852	(4,446)	(249)	6,549	(4,325)	2,425
IEE Conventions Limited	Subsidiary	100%	13	-	(6)	2,969	-	984
IET USA, Inc.	Subsidiary	100%	328	(791)	(112)	810	(861)	(35)
IET (India)	Subsidiary	100%	-	(89)	21	-	(183)	(29)
IET Services (India)	Subsidiary	100%	56	(425)	(64)	87	(561)	(55)
IET (Beijing)	Subsidiary	100%	6	-	6	-	-	-
IET (Canada)	Subsidiary	100%	-	(10)	-	-	(37)	-
Institution of Engineering and Technology, USA	Subsidiary	100%	-	(1)	-	-	(31)	-

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 £369,000 (2019: £688,000) in respect of business support services provided. An amount payable of £64,000 was outstanding at 31 December 2020 (31 December 2019: £101,000).

IEE Conventions Limited has a debtor with its joint venture, IBC Partnership, at 31 December 2020 of £8,000 relating to its share of Partnership profits for the year ended 31 December 2020. At 31 December 2019 it had a debtor of £1,017,000 relating to annual profits not yet distributed. The net income in the year in respect of the IBC Partnership was £13,000 (2019: Income of £2,978,000). There were no expenditure transactions with Group entities.

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 (2019: 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 deficit of IET SAS at 31 December 2020 as calculated by the Scheme Actuary is £164,000 (2019: deficit of £2,183,000), full details of which are set out in Note 17. 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 2020 was nil (2019: nil).

16. 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 the Regional Centre over time and to provide a sum of money to refurbish Savoy Place at an appropriate interval during the lifetime of the lease. It also includes the estimated current cost of refurbishing Michael Faraday House.

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 2021-2023 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 17. The net pension scheme liability 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 2020.

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 2020 of £515,000 (31 December 2019: £496,000). The full list of linked charities is provided in Note 16a.

In addition, the Janet Firmin Memorial Fund had funds of £626,000 as at 31 December 2020 (31 December 2019: £627,000). The Fund is not a linked charity.

Government Grants: The IET receives grant funding from the UK Government and in 2020 income of £1,410,000 was recognised in the SoFA (2019: £41,000). The funds have been used in connection with the establishment of a UK Cyber Security Council. In 2020 the IET signed a Grant Agreement with Science Foundation Ireland for a Project, Igniting Curiosity in STEM: IET *FIRST*[®] LEGO[®] League; the start date for the Grant is 1 January 2021.

Transfers between Funds

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

16a. 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

16b. Reserves and Restricted Funds

Group – Year ended 31 December 2020

	Balance at 1 January 2020 £000	Net Income/ (Expenditure) £000	Other recognised (losses)/gains £000	Transfers £000	Balance at 31 December 2020 £000
Total General Funds	97,978	6,086	-	(5,853)	98,211
Designated Funds					
Fixed Assets Reserve	29,549	(1,824)	-	859	28,584
Invested Building Redemption Reserve	27,477	-	-	(254)	27,223
Development and New Initiatives Reserve	15,500	(4,760)	-	4,060	14,800
IEECL Accumulated Fund	116	-	-	-	116
IET India Accumulated Fund	109	(8)	-	-	101
IET Services (India) Accumulated Fund	419	8	-	-	427
IET USA, Inc. Accumulated Fund	207	100	-	-	307
IET (Beijing) Accumulated Fund	347	173	-	-	520
Total Designated Funds	73,724	(6,311)	-	4,665	72,078
Total Unrestricted Funds Before Pension Liability					
	171,702	(225)	-	(1,188)	170,289
Pension Scheme Funding Reserve	(2,183)	(46)	877	1,188	(164)
Foreign exchange (losses)/gains arising on retranslation of foreign subsidiaries	(29)	-	(52)	-	(81)
Total Unrestricted Funds After Pension Liability	169,490	(271)	825	-	170,044
Permanent Endowment Funds					
Other Trust Funds	2,032	99	-	-	2,131
Expendable Endowment Funds					
IET Benefactors Trust Fund	6,481	79	-	-	6,560
Dr A F Harvey Fund	5,765	344	-	-	6,109
Other Trust Funds	448	40	-	(10)	478
Total Expendable Endowment	12,694	463	-	(10)	13,147
Total Endowment Funds	14,726	562	-	(10)	15,278
Restricted Income Funds					
Impact Engineering Funds	396	81	-	10	487
Other Trust Funds	357	5	-	-	362
Total Restricted Income Funds	753	86	-	10	849
Other Restricted Funds	13	114	-	-	127
Restricted Funds	15,492	762	-	-	16,254
Total Group Funds	184,982	491	825	-	186,298

16b. Reserves and Restricted Funds (continued)

Group – Year ended 31 December 2019

	Balance at 1 January 2019 £000	Net Income/ (Expenditure) £000	Pension Scheme Actuarial Gain £000	Transfers £000	Balance at 31 December 2019 £000
Total General Funds	89,261	20,484	-	(11,767)	97,978
Designated Funds					
Fixed Assets Reserve	31,774	(1,910)	-	(315)	29,549
Invested Building Redemption Reserve	25,215	-	-	2,262	27,477
Development and New Initiatives Reserve	11,000	(4,108)	-	8,608	15,500
IEECL Accumulated Fund	116	-	-	-	116
IET India Accumulated Fund	102	7	-	-	109
IET Services (India) Accumulated Fund	402	17	-	-	419
IET USA, Inc. Accumulated Fund	450	(243)	-	-	207
IET (Beijing) Accumulated Fund	276	71	-	-	347
Total Designated Funds	69,335	(6,166)	-	10,555	73,724
Total Unrestricted Funds Before Pension Liability	158,596	14,318	-	(1,212)	171,702
Pension Scheme Funding Reserve	(4,496)	(139)	1,240	1,212	(2,183)
Foreign exchange (losses)/gains arising on retranslation of foreign subsidiaries	27	-	(56)	-	(29)
Total Unrestricted Funds After Pension Liability	154,127	14,179	1,184	-	169,490
Permanent Endowment Funds					
Other Trust Funds	1,809	223	-	-	2,032
Expendable Endowment Funds					
IET Benefactors Trust Fund	5,938	552	-	(9)	6,481
Dr A F Harvey Fund	5,047	718	-	-	5,765
Other Trust Funds	396	52	-	-	448
Total Expendable Endowment	11,381	1,322	-	(9)	12,694
Total Endowment Funds	13,190	1,545	-	(9)	14,726
Restricted Income Funds					
Impact Engineering Funds	357	39	-	-	396
Other Trust Funds	329	19	-	9	357
Total Restricted Income Funds	686	58	-	9	753
Other Restricted Funds	-	13	-	-	13
Restricted Funds	13,876	1,616	-	-	15,492
Total Group Funds	168,003	15,795	1,184	-	184,982

16b. Reserves and Restricted Funds (continued)

Charity – Year ended 31 December 2020

	Balance at 1 January 2020 £000	Net Income/ (Expenditure) £000	Other recognised gains £000	Transfers £000	Balance at 31 December 2020 £000
Total General Funds	98,347	5,909	-	(5,853)	98,403
Designated Funds					
Fixed Assets Reserve	29,540	(1,821)	-	859	28,578
Invested Building Redemption Reserve	27,477	-	-	(254)	27,223
Development and New Initiatives Reserve	15,500	(4,760)	-	4,060	14,800
Total Designated Funds	72,517	(6,581)	-	4,665	70,601
Total Unrestricted Funds Before Pension Liability	170,864	(672)	-	(1,188)	169,004
Pension Scheme Funding Reserve	(2,183)	(46)	877	1,188	(164)
Total Unrestricted Funds After Pension Liability	168,681	(718)	877	-	168,840
Permanent Endowment Funds					
Other Trust Funds	2,032	99	-	-	2,131
Expendable Endowment Funds					
IET Benefactors Trust Fund	6,481	79	-	-	6,560
Dr A F Harvey Fund	5,765	344	-	-	6,109
Other Trust Funds	448	40	-	(10)	478
Total Expendable Endowment	12,694	463	-	(10)	13,147
Total Endowment Funds	14,726	562	-	(10)	15,278
Restricted Income Funds					
Impact Engineering Funds	396	81	-	10	487
Other Trust Funds	357	5	-	-	362
Total Restricted Income Funds	753	86	-	10	849
Other Restricted Funds	13	114	-	-	127
Restricted Funds	15,492	762	-	-	16,254
Total Charity Funds	184,173	44	877	-	185,094

16b. Reserves and Restricted Funds (continued)

Charity – Year ended 31 December 2019

	Balance at 1 January 2019 £000	Net Income/ (Expenditure) £000	Other recognised (losses)/ gains £000	Transfers £000	Balance at 31 December 2019 £000
Total General Funds	89,795	20,311	-	(11,759)	98,347
Designated Funds					
Fixed Assets Reserve	31,769	(1,906)	-	(323)	29,540
Invested Building Redemption Reserve	25,215	-	-	2,262	27,477
Development and New Initiatives Reserve	11,000	(4,108)	-	8,608	15,500
Total Designated Funds	67,984	(6,014)	-	10,547	72,517
Total Unrestricted Funds Before Pension Liability	157,779	14,297	-	(1,212)	170,864
Pension Scheme Funding Reserve	(4,496)	(139)	1,240	1,212	(2,183)
Total Unrestricted Funds After Pension Liability	153,283	14,158	1,240	-	168,681
Permanent Endowment Funds					
Other Trust Funds	1,809	223	-	-	2,032
Expendable Endowment Funds					
IET Benefactors Trust Fund	5,938	552	-	(9)	6,481
Dr A F Harvey Fund	5,047	718	-	-	5,765
Other Trust Funds	396	52	-	-	448
Total Expendable Endowment	11,381	1,322	-	(9)	12,694
Total Endowment Funds	13,190	1,545	-	(9)	14,726
Restricted Income Funds					
Impact Engineering Funds	357	39	-	-	396
Other Trust Funds	329	19	-	9	357
Total Restricted Income Funds	686	58	-	9	753
Other Restricted Funds	-	13	-	-	13
Restricted Funds	13,876	1,616	-	-	15,492
Total Charity Funds	167,159	15,774	1,240	-	184,173

16c. Restricted Funds Analysis

Group and Charity

	Balance at 1 January 2020 £000	Income £000	Expenditure £000	Investment Gains £000	Transfers £000	Balance at 31 December 2020 £000
Permanent Endowment Funds						
Other Trust Funds	2,032	(32)	-	131	-	2,131
Expendable Endowment Funds						
IET Benefactors Trust Fund	6,481	124	(621)	576	-	6,560
Dr A F Harvey Fund	5,765	125	(367)	586	-	6,109
Other Trust Funds	448	8	(6)	38	(10)	478
Total Expendable Endowment	12,694	257	(994)	1,200	(10)	13,147
Total Endowment Funds	14,726	225	(994)	1,331	(10)	15,278
Restricted Income Funds						
Impact Engineering Funds	396	490	(409)	-	10	487
Other Trust Funds	357	27	(44)	22	-	362
Total Restricted Income Funds	753	517	(453)	22	10	849
Other Restricted Funds	13	1,410	(1,296)	-	-	127
Restricted Funds	15,492	2,152	(2,743)	1,353	-	16,254

Group and Charity

	Balance at 1 January 2019 £000	Income £000	Expenditure £000	Investment Gains £000	Transfers £000	Balance at 31 December 2019 £000
Permanent Endowment Funds						
Other Trust Funds	1,809	-	-	223	-	2,032
Expendable Endowment Funds						
IET Benefactors Trust Fund	5,938	138	(494)	908	(9)	6,481
Dr A F Harvey Fund	5,047	140	(348)	926	-	5,765
Other Trust Funds	396	46	(55)	61	-	448
Total Expendable Endowment	11,381	324	(897)	1,895	(9)	12,694
Total Endowment Funds	13,190	324	(897)	2,118	(9)	14,726
Restricted Income Funds						
Impact Engineering Funds	357	360	(321)	-	-	396
Other Trust Funds	329	31	(69)	57	9	357
Total Restricted Income Funds	686	391	(390)	57	9	753
Other Restricted Funds	-	92	(79)	-	-	13
Restricted Funds	13,876	807	(1,366)	2,175	-	15,492

16d. Other Restricted Funds

Other Restricted Funds are as follows:

Cyber Security Council

A grant was awarded to the IET during 2019 by the Department for Digital, Culture, Media & Sport as delivery lead for the new UK Cyber Security Council. Movements in the Fund during the year have been as follows:

	2020 £000	2019 £000
Balance at 1 January 2020	13	-
Income	1,410	92
Expenditure	(1,297)	(79)
Balance at 31 December 2020	126	13

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. These restricted funds will be applied in 2021 and 2022.

Amount of grant awarded: €299,300

Term: 24 months commencing 1/1/2021

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	€000
Balance @ 1 January 2020	-
Cash received	144
Deferral of revenue until 2021	(144)
Income*	-
Expenditure	-
Balance @ 31 December 2020	-

*cash received of €143,550 in December 2020 has been deferred until the grant commencement date of 1 January 2021.

16e. Analysis of Group Net Assets Between Funds

31 December 2020

	Unrestricted funds 2020 £000	Restricted and endowment funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	28,584	-	28,584
Fixed asset investments	142,159	18,556	160,715
Current assets	21,064	359	21,423
Current liabilities	(18,469)	(1,256)	(19,725)
Long term creditors	(3,130)	(1,405)	(4,535)
Pension scheme liability	(164)	-	(164)
	170,044	16,254	186,298

31 December 2019

	Unrestricted funds 2019 £000	Restricted and endowment funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	29,549	-	29,549
Fixed asset investments	126,184	16,866	143,050
Current assets	38,772	1,031	39,803
Current liabilities	(19,663)	(989)	(20,652)
Long term creditors	(3,169)	(1,416)	(4,585)
Pension scheme liability	(2,183)	-	(2,183)
	169,490	15,492	184,982

16e. Analysis of IET Net Assets Between Funds

31 December 2020

	Unrestricted funds 2020 £000	Restricted and endowment funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	28,578	-	28,578
Fixed asset investments	143,095	18,556	161,651
Current assets	17,828	359	18,187
Current liabilities	(17,367)	(1,256)	(18,623)
Long term creditors	(3,130)	(1,405)	(4,535)
Pension scheme liability	(164)	-	(164)
	168,840	16,254	185,094

31 December 2019

	Unrestricted funds 2019 £000	Restricted and endowment funds 2019 £000	Total funds 2019 £000
Intangible fixed assets	81	-	81
Tangible fixed assets	29,540	-	29,540
Fixed asset investments	125,611	16,866	142,477
Current assets	36,317	1,031	37,348
Current liabilities	(17,516)	(989)	(18,505)
Long term creditors	(3,169)	(1,416)	(4,585)
Pension scheme liability	(2,183)	-	(2,183)
	168,681	15,492	184,173

17. Pension Schemes

17a. 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 2020.

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.

The IET expects to contribute £1,188,000 to the Scheme in the year ending 31 December 2021.

Assumptions

The tables set out below state the assumptions upon which the valuations of the Schemes were based.

	IET SAS 2020 % pa	IET SAS 2019 % pa	IIE PLAS 2020 % pa	IIE PLAS 2019 % pa
Price inflation (RPI)	3.00	3.20	n/a	3.20
Price inflation (CPI)	2.10	2.30	n/a	2.30
Pension increase rate LP15	2.95	3.10	n/a	3.10
Pension increase rate CP15	n/a	n/a	n/a	2.30
Pension increase rate CP12.5	n/a	n/a	n/a	1.80
Discount rate	1.25	2.00	n/a	2.00

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

	IET SAS 2020	IET SAS 2019	IIE PLAS 2020	IIE PLAS 2019
Member age 60 – male (current life expectancy)	28.0	27.7	n/a	27.7
Member age 60 – female (current life expectancy)	29.8	29.4	n/a	29.4
Member age 40 – male (future pensioner)	29.1	29.1	n/a	29.1
Member age 40 – female (future pensioner)	30.9	30.9	n/a	30.9

Analysis of the amounts charged to Statement of Financial Activities

	2020 £000	2019 £000
Current service cost	-	28
Past service cost	15	-
Administration costs	-	1
Net interest charge on net defined benefit liability	31	110
Net amount charged to Statement of Financial Activities	46	139

	2020 £000	2019 £000
Actual return on assets excluding amounts included in net interest	9,782	(13,905)
Actuarial (losses) arising on scheme liabilities	(9,237)	8,966
Decrease in irrecoverable surplus from membership fall and other factors	695	(676)
Actuarial gains charged to the Statement of Financial Activities	1,240	(5,615)

Analysis of the amounts recognised in the Balance Sheet

Changes to fair value of scheme assets	2020 £000	2019 £000
Opening fair value of scheme assets	156,217	145,696
Interest income	3,092	4,034
Contributions by plan participants	-	2
Contributions by employer	1,188	1,212
Benefits paid	(4,668)	(4,509)
Return on Scheme assets excluding interest income	17,204	9,782
Closing fair value of scheme assets	173,033	156,217

Changes to present value of benefit obligations	2020 £000	2019 £000
Opening present value of benefit obligations	158,400	149,516
Current service cost	-	28
Past service cost	15	-
Interest costs	3,123	4,125
Contributions by plan participants	-	2
Benefits paid	(4,668)	(4,509)
Expenses	-	1
Actuarial losses/(gains)	16,327	9,237
Closing present value of benefit obligations	173,197	158,400

	2020 £000	2019 £000
Fair value of scheme assets	173,033	156,217
Present value of benefit obligations	(173,197)	(158,400)
Net deficit	(164)	(2,183)

Fund assets

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

	2020 £000	2020 %	2019 £000	2019 %
UK Equities	356	0.2	448	0.3
Overseas Equities	15,129	8.7	15,285	9.8
Debt Securities - Government	59,910	34.6	48,257	30.9
Debt - Multi Asset Credit	17,415	10.1	14,954	9.6
Insurance contracts	76,138	44.0	73,276	46.9
Aviva DAF Fund	3,941	2.3	3,541	2.2
Cash and cash equivalents	144	0.1	456	0.3
	173,033	100.0	156,217	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

Actuarial value
of liabilities at
31 December 2020
£000

The calculation of the IET SAS defined benefit obligation is sensitive to the assumptions set out above. The table set out to the right shows the impact on the value of the benefit obligation as at 31 December 2020 of a change in assumptions:

Base Case	173,197
-0.5% decrease in discount rate	189,068
1 year increase in member life expectation	180,125
+0.5% change in inflation	184,188

17b. Defined Contribution Schemes

Both the IET and employees make contributions towards the IET's defined contribution stakeholder pension arrangement. At 31 December 2020, 574 Group employees were members of the scheme (2019: 573). The total employer contributions paid to this scheme during the year amounted to £2,511,000 (2019: £2,312,000).

The pension charge for the year to 31 December 2020 for all schemes was £2,557,000 (2019: £2,447,000).

18. Post balance sheet events

To the extent events taking place since the 31 December 2020 and up until the approval of the report and accounts by the Board of Trustees provide material information about conditions existing at 31 December 2020 they have been reflected in the financial statements and notes.

The remaining uncertainties resulting from the COVID-19 pandemic do not require adjustment to the reported results but are relevant to understanding the IET Group's general financial position and are reported here.

COVID-19 continues to have significant healthcare and financial impacts for governments, organisations and populations around the world. These impacts have been felt directly and indirectly by the IET both financially and in respect of delivering some of its charitable activities that have traditionally depended on physical attendance.

Financially, revenues associated with events and meetings, including room hire within our buildings, have been particularly impacted, while significant levels of variable costs have also been saved. Where possible

IET has altered its operations and activities to adapt to this changing environment, including delivery of hybrid or fully virtual events, greater levels of multi-media content and video-conferencing to support registration and other processes which typically occur face-to-face. IET continues to respond to the changing risks and restrictions of the pandemic while prioritising the health, safety and wellbeing of its staff and volunteers.

The medium-term recovery of activities over time, together with long-term changes to preferences for virtual compared to physical activity remain subject to the pace of progress to mitigate the global threat from COVID-19, and the lasting impacts on society. These are expected to have impacts on the IET which will continue to take a measured approach to growing its charitable impact over time while needing to be mindful of long-term financial sustainability. For this reason the Trustees expect to review forecasts and budget adjustments mid-2021.

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:

Miss Yewande Akinola
Dr Colin Arthur
Dr Ian Belger
Dr Bicky Bhangu
(appointed 1 October 2020)
Professor Phil Blythe
Dr Peter Bonfield
Professor Bob Cryan
(appointed 1 October 2020)
Mr Joe Dunn
Professor Danielle George
Dr Andy Harter
Ms Rachel Hurst
(appointed 1 October 2020)
Dr Gopichand Katragadda
Professor Paul Needham
(appointed 1 October 2020)
Ms Dawn Ohlson
Professor Kate Sugden
(appointed 1 October 2020)
Air Marshal Sir Julian Young

Other Trustees who served during the period of the report:

Ms Jayne Bryant
(retired 30 September 2020)
Mr Mike Carr
(retired 30 September 2020)
Dr Simon Harrison
(resigned 20 March 2020)
Miss Sam Hubbard
(retired 30 September 2020)
Miss Alyssa Randall
(retired 30 September 2020)

Executive Team

Mr Nigel Fine
(Chief Executive and Secretary)
Ms Toni Allen
(Director of International Strategic Marketing and Engagement)
Mr Ed Almond
(Director of Finance and Planning)
Mr Richard Best
(Director of IT and Digital Services)
Ms Morna Dason-Barber
(Director Human Resources)
Mr Simon Edwards (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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