



Annual Report and Accounts 2018

Civil Engineers – Shaping the World

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President's foreword



Andrew Wyllie, CBE
ICE President 2018-2019

ICE 200, which took place throughout 2018, made it a spectacular year. The Institution saw levels of membership engagement throughout the world and across the engineering community unlike ever before.

This, however, was not simply a celebration. We had the clear idea of using the year to reach out to the public and help them understand how civil engineering transforms their lives, safeguards the future and most importantly is a richly rewarding and creative career.

The activities selected were led and delivered primarily by the membership who used their wealth of knowledge and enthusiasm to lift the veil on the world of civil engineering and raise awareness of the profession.

Throughout the year ICE published 200 People and Projects; inspirational case studies of the ways in which civil engineering transforms lives. These have been viewed by thousands already and will provide a wonderful resource for the future through the What is Civil Engineering pages of our website.

The projects, selected by a panel of experts, and submitted by the membership also provided the basis for the Shaping the World book. The People' Choice Awards were expanded to international entries for the first time. The winning project that I had the pleasure of announcing during my inaugural address was the Kaikōura earthquake recovery project in New Zealand

Our Infrastructure Learning Hub hosted the Invisible Superheroes exhibition, which highlighted the incredible contributions to society that civil engineers make.

Café 200, inspired by the Institution's coffee shop roots, took place across the world. Civil Engineers, who are passionate about their subject, took the time to engage with community groups and explain a project or a concept to them. As many as 20,000 people have heard directly from a passionate engineer during ICE 200 across the world.

Beyond that, ICE brought together thousands of delegates from around the world by hosting the Global Engineering Congress. ICE was able to lead the way in continuing to have a beneficial impact on society by providing a route map for what engineers can do to achieve the UN Sustainability Goals.

We also had the honour of holding a service for engineers at Westminster Abbey alongside the Department for Transport and other Professional Engineering Institutions.

In addition to the concerted effort for ICE 200 we have also been able to continue turning the regular dials, of membership, engineering knowledge and influencing the public debate. During 2018 we continued to grow the membership. We now have 93,368 members worldwide, which is a 1.3% growth from 2017. We launched the ICE Learning Hub for members to take advantage of for their CPD. We have also seen our ability to influence the global debate continue to expand with government delegations from the Middle East, Hong Kong and Africa all seeking out our expertise.

Overall, the activity we were all a part of during ICE 200 has shown us the benefits of public engagement, alongside our core business successes and the need to continue with this endeavour.

Reference and administrative details

Trustees

<i>President</i>	Andrew Wyllie CBE
<i>Senior Vice President</i>	Paul Sheffield CBE (appointed November 2018)
<i>Vice Presidents</i>	Kyle Clough
	Mak Chai-Kwong
	Edward McCann
	Emer Murnaghan OBE
	Rachel Skinner
	Dr Jane Smallman
<i>Other</i>	Steven Balliston
	Karen Britton
	Teresa Frost
	Professor Andrew McNaughton

Members of Council (2018-2019 session)

Andrew Wyllie CBE	Teresa Frost
Paul Sheffield CBE	Richard Giffen (Americas) *
Professor Lord Robert Mair CBE	David Goodliff (East of England) *
Jeffrey Ashurst (North West) *	Zoë Henderson *
Steven Balliston	Ronald Hunter (Scotland) *
John Beck *	Mark Jamieson (Middle East and Africa) *
Edward Bingham (East Midlands) *	Giedre Jurkonyte
Norman Brent (South East) *	Emma Kent *
Karen Britton	Damian Kilburn (Yorkshire and Humber) *
Richard Burleigh (Europe and Central Asia) *	Stephen Larkin (North East) *
David Caiden *	Andrew McNaughton
Kate Cairns *	Geoffrey Ogden (Wales)
Patrick Chan (Hong Kong) *	Claire Oliver (London) *
Matthew Colton (Asia Pacific excl Hong Kong) *	Brenda O'Loan (Northern Ireland)
Martin Crapper	Lucy Rew
Gary Cutts (South West) *	Nicola Robins *
Blessing Danha	Helen Samuels *
Stephen Dellow *	Neil Sandberg
Mark Downes (West Midlands) *	Gareth Walker *

The following served as members of Council during 2018 until their retirement in November 2018:

Professor Tim Broyd *	Peter Hallsworth *
Andrew Wolstenholme OBE *	Yvonne Murphy *
Emily Bonner *	David Porter *
Denise Bower *	

* *Trustee until November 2018*

Management team

<i>Director General and Secretary</i>	Nick Baveystock
<i>Deputy Director General and Managing Director Thomas Telford Limited</i>	Chris Gibson
<i>Director Membership</i>	Seán Harris
<i>Director Engineering Knowledge</i>	Nathan Baker
<i>Group Finance Director</i>	Andrew Elliott-Frey (resigned November 2018)
<i>Human Resources Director</i>	David Tullett
<i>Communications Director</i>	Simon Creer
<i>Head of Policy and Public Affairs</i>	Chris Richards (appointed October 2018)

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Trustees Report

31 December 2018

Objectives and Activities

Background and Mission

The Institution provides professional expertise in transport, water supply and treatment, flood management, waste and energy. Established in 1818 the ICE has over 93,000 members, with over a quarter living outside the United Kingdom. ICE has long provided independent professional advice to government departments and political parties. We work with all parts of the profession to ensure that civil engineering remains a major contributor to economic growth and raising society's quality of life around the world.

Vision, Strategy and Business Planning

Council reviewed the vision of the ICE during 2018, setting out that 'The ICE will transform lives by helping build a sustainable world'. Council furthermore set three outcomes for the Institution:

- **Grow Membership:** We will provide a diverse, inclusive and professionally qualified membership in which society has confidence.
- **Grow Life Long Learning:** We will assure society that infrastructure professionals can be trusted throughout their career.
- **Shape the Big Issues:** We will lead the global infrastructure debate.

The Trustee Board approved the 2019-2021 strategy which concentrates on taking forward a variety of initiatives that support the three outcomes set by Council.

Fundraising

Fundraising income is presented in our accounts within income from donations and legacies and includes grants. All solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day to day management of all income generation is delegated to the executive team, who are accountable to the Trustee Board.

ICE's fundraising activities focus on generating income to support civil engineering scholarships through the Queen's Jubilee Scholarship Trust (QUEST).

ICE is aware of the UK Fundraising Regulator's guidance and has received no complaints in the year and is confident in its ability to comply.

Delivering public benefit

ICE is a charitable body and exists to deliver benefits to the public. The benefits arising from activity are widespread.

- The general public benefits from safe and well-designed infrastructure which is delivered through the expertise of ICE's members. This expertise is in turn developed and recognised through our membership qualification process. The general public also benefits from the generation and dissemination of knowledge, educating the public and ensuring best practice is available to members.
- Government in the UK (national, devolved and local) benefits from our expert evidence to public consultations and from our published policy reports. Both public and private sector employers, and through them the wider economy, benefit commercially from employing Institution members who have a globally recognised professional engineering qualification.
- Young people can realise their potential from our efforts to raise interest in science, maths and technology in schools and colleges and to encourage and support the young civil engineers of tomorrow.
- Finally, ICE members benefit (i) from having a highly respected qualification that is recognised around the world, and from on-going career support from the Institution, (ii) through the extensive publishing activity comprising peer-reviewed technical journals, books, access to ICE's historic library and archive, and much other professional development material, and (iii) through a professional network that makes them more valuable both to society and to their employers.

Many of the infrastructure activities in which our members are engaged involve, of necessity, the evaluation of public good against the risk, cost or other impact of alternative options. The Institution, through its activities promotes best practice and the rigorous assessment of sustainability and health and safety considerations. These activities all seek to reduce any detriment involved in activities managed or designed by our members. The Institution's own activities as a professional body are not considered to generate any detriment or harm.

Membership

The Institution as a membership organisation has members rather than beneficiaries. Members' annual subscriptions form a significant part of our income, which is used to fund activities for public benefit. Members themselves receive benefits through the dissemination of knowledge and best practice, and from the esteem and recognition resulting from their membership of a profession with high standards both of entry and for continuing membership. However, without its members the Institution could not continue to pursue its charitable purpose. Membership is open to anyone who can meet our professional standards.

Financial barriers to entry are relatively small. Student membership is free, and, through the QUEST and Into Civil Engineering restricted funds, bursaries are available to attract able candidates at graduate entry level and also for aspiring technicians. For existing members, a concessionary rate is available for those who are unemployed, taking a career break, on low income or retired. The Institution also refers members to its Benevolent Fund, a separate charity for supporting members and their families in need. The fund can, when appropriate, ensure all membership fees are paid for beneficiaries.

Charity Commission Guidance

The Council and Trustee Board confirms it has complied with the duty outlined in Part 2 of the Charities Act 2011 to have regard to guidance on public benefit published by the Charity Commission when exercising any powers or duties to which the guidance is relevant.

Achievements, performance and future plans

Dial 1 – Grow the membership

What we said we would do - 2018 Objectives

- International
 - Career Appraisal Fast Track Workshops. We will deliver in-house CAFT workshops at Arcadis and Shell in India in February 2018. Further CAFT programmes will be delivered in the Middle East and South East Asia once staff are embedded in post.
 - International University Course Accreditation. The ICE Course Accreditation Service will commence and we will provide a 'JBM+' standard of service which is agile and customer-orientated.
 - ICE Rewards. We will look to expand ICE Rewards so that the package has greater international resonance.
 - ICE 200. International Regions will take part in Pitch 200, Café 200, Explore Engineering and the People's Choice Award. In addition, we will deliver a world class summit in Hong Kong, attended by the Chief Executive of Hong Kong, and region-wide conferences in Sydney and UAE.
 - 'Get Chartered' Campaign across the Middle East. We will produce a corporate film that targets aspiring civil engineering professionals to obtain ICE qualifications and employers to develop their staff using ICE Training Schemes and Careers Appraisal workshops. A programme of stakeholder engagement will link with the launch of the film.
- UK Regions
 - ICE 200. In addition to routine activities, the regions' primary focus will be on delivering ICE 200, an expansive and very challenging programme aimed at engaging with external stakeholders, most especially wider-society and potential future engineers. The ICE 200 will focus on four core programmes: Pitch 200, Café 200, Explore Engineering and People's Choice.
 - Lapsing. We seek to drive down total lapsing figures to less than 1,500 (a 25% reduction on 2017).
 - Public Voice. Increased delivery of public voice in the regions targeted at Apprenticeships.
- UK Membership Recruiting Team. The MRT will focus on the following:
 - Apprenticeship Engagement:
 - Apprenticeship providers (including FE Colleges, Universities and others);
 - Employers; and
 - Apprentices and potential engineering technicians.
 - Experienced Engineers. We seek to qualify many more experienced engineers through targeted communication and engagement. We currently have circa 8000 Graduate members who are not on an Approved Training Scheme and could pursue an individual route to membership. We will focus more attention on those who require bespoke support to achieve professional qualification.
 - Partnerships. We will continue to build upon our Academic and Corporate Partnership programme targeting increased membership and deeper engagement with current partners. We will also seek to expand Partnerships with organisations who are demonstrating best practice in professional development.
- Education and Inspiration
 - Promoting civil engineering in schools. 1,500 ICE volunteers will be engaging with schools across the UK, as well as in Hong Kong and other parts of the world, and we will be running a pilot project to explore how to engage more effectively with sixth-forms. We will continue to support campaigns to promote engineering.
 - QUEST scholarship. We will offer 200 scholarships and awards to encourage the next generation to embark on civil engineering careers and to celebrate civil engineering during ICE's 200th anniversary year.
 - Education Policy. We will be working with the UK Department for Education on new T-Level vocational qualifications in construction and engineering – as part of a wider remit to ensure that pathways from school to civil engineering careers remain relevant and open.

- Qualifications
 - Digitisation. We will continue our programme of digitising processes, including completing the online Fellowship application system (“FAPSO”) and SharePoint for Reviewers upgrades, and developing an online application process for professional reviews.
 - ICE Exam. We will launch the syllabus and start to put in place the necessary processes and infrastructure to deliver the Exam in 2019.
 - Apprenticeships. We will continue to work with employers and government to facilitate streamlined End Point Assessment processes which incorporate our professional review for appropriate apprenticeships.
 - Streamlining. The Annual Membership Survey demonstrated a need to further streamline our qualifications process and improve information, advice and guidance. Our aim will be to make the requirements clearer and the process less onerous whilst meeting the registration standards.

What we did – 2018 Performance and Achievements

- Membership numbers. Overall numbers grew by 1.3%, reflecting strong increases in Technicians (19% growth), and Associates (25% growth). Geographically, growth was driven by increases in the UK and Middle East & Africa. It was again pleasing that the number of women members grew by over 6% to 12,946 and now represents 13.8% of total membership (2017: 13.2%).

	2018	2017	2016	2015	2014
Membership by location					
United Kingdom	69,620	68,518	67,626	66,558	65,918
Europe (excl UK)	1,940	1,922	2,048	2,129	2,100
Americas	1,404	1,400	1,431	1,460	1,500
Middle East & Africa	3,233	3,113	2,996	3,020	2,927
Asia Pacific	17,171	17,204	16,927	15,643	13,989
Total	93,368	92,157	91,028	88,810	86,434
Membership by grade					
Fellow	5,237	5,174	5,252	5,244	5,250
Member	40,084	39,875	40,143	38,806	38,834
Graduate	20,163	20,058	19,661	19,039	18,149
Student	24,563	24,283	23,652	22,280	20,907
Technician	2,402	2,023	1,656	1,295	1,013
Associate	876	701	620	1,436	1,525
Other	43	43	44	710	756
Total	93,368	92,157	91,028	88,810	86,434

- International
 - The Career Appraisal Fast Track Workshops (“CAFT”) workshops are aimed at those experienced engineers who are beyond adopting an ICE or employer-based training scheme. Based upon the successful UK approach, we have throughout the year engaged with experienced engineers in India, Sri Lanka, Australia, New Zealand, Malaysia, Singapore, and the Gulf through CAFT have mentored and supported groups of engineers through to professional review. CAFT workshops are being run in all target markets with a view to creating an ICE-qualified pool of indigenous engineers who in turn will provide the framework and SCE provision for ICE training schemes.
 - A huge number took part in ICE 200 activities across the International Regions, with some of the highlights being:
 - 3,500 attendees from over 80 countries attended the Global Engineering Congress at One Great George Street. We ran an expanded international events programme with 53 Café 200 events with almost 4,800 attendees, and 15 Explore Engineering events with 407 attendees
 - Pitch ICE, which ran as Pitch 200, and the People’s Choice Award were both ran with an international component for the first time. Within Pitch 200, 4 out of 13 finalists were from overseas: with finalists from Hong Kong, Australia, Bangladesh and Netherlands, the latter finishing second overall. The People’s Choice Award was won by a project in New Zealand.
 - In September we hosted the bicentenary Australasia Conference in Sydney with 400 attendees and 18 speakers.

- In Hong Kong we ran the “ICE 200 Board Game Design Competition”, and the winning game, Odyssey is available as an ICE 200 souvenir; 11,000 people attended the Lego Bridge exhibition; and 7,100 people attended Shaping our Future City.
- We launched a ‘Get Chartered’ campaign which included the production of a targeted promotional film. We secured a contract to deliver a graduate training programme to a state agency in UAE with ICE Training – a model we anticipate will be attractive to other employers.
- UK Regions
 - In 2018 ICE ceased looking inwardly and began looking outwards to non-members and broader society. ICE 200 provided an opportunity for the membership to engage with the wider public to develop its understanding of civil engineering and how the profession directly transforms people’s lives and safeguards the environment. Through TV, radio, social and traditional media, ICE has reached over 68 million people. At the same time a UK wide programme of talks, tours, competitions and exhibitions has allowed our members to interact with several hundred thousand members of the public.
 - Through proactive staff interventions with our membership we achieved our end of year target for lapsed members and reduced lapsing members by 25% on 2017 figures.
- UK Membership Recruiting Team
 - We expanded and enhanced our partnership working:
 - Academic Partnership. Our highly successful programme expanded from 15 to 20 partners. The Partnerships have seen an increase in ICE student membership, engagement with ICE programmes and activity, enhanced ICE awareness ‘on campus’ and increased engagement with academic staff.
 - Corporate Partnership. We worked with our partners to support their professional development programmes and activity, including enhanced support for mentors, graduates and apprentices through bespoke briefings, and ICE attendance at partner events (eg SCE/DE/mentor conferences).
 - Experienced Engineers. We delivered a highly successful campaign to increase our engagement with experienced engineers. Our campaign introduced new means of engaging and delivering bespoke support for those keen to achieve professional qualification having not completed a structured Training Agreement. There was keen interest in the campaign which will be repeated in 2019.
 - Apprenticeships. Our membership recruitment team supported FE & HE providers, employers and apprentices through the provision of information, advice and guidance. The MRT completed over 200 visits to both FE and HE establishments in support of student membership and engagement. Our UK support programme for EngTech MICE applicants also continues to prove successful with EngTech membership growing by 19%.
- Education and Inspiration
 - Promoting civil engineering in schools. ICE volunteers successfully engaged with schools across the UK, as well as in Hong Kong and other parts of the world. We continued to support campaigns that promote engineering, such as International Women in Engineering Day, Tomorrow’s Engineers Week and the Year of Engineering. In the background, we worked closely with EngineeringUK, the Royal Academy of Engineering and other organisations involved in promoting engineering in UK schools to reshape Tomorrow’s Engineer so that it is can deliver its mission more effectively.
 - QUEST scholarships. We awarded 254 scholarships and awards in 2018 (78 undergraduate scholarships, 82 technician scholarships, 11 continuing education awards and 83 travel awards) – well in excess of our target of 200. We also carried out a major review of QUEST finances and have adjusted the scholarships to ensure they remain attractive to candidates and financially sustainable in the long-term.
 - Education policy. Our policy manager worked on the Government’s national panel to help define the specifications for the new T-Level vocational qualifications in construction. The specification was used in the tender to appoint the examination body for the Construction T-Level.
- Qualifications
 - Digitisation. We introduced SharePoint for Reviewers which has improved the experience for those volunteers and reduced the administrative load on staff, and which has made the system more robust against human error. FAPSO was upgraded at the end of 2018 and went live in January 2019. We also worked on upgrades to IPD online so that training providers and apprentices can use it as they work towards their apprenticeship end-point assessments – with final decisions on implementation postponed to early 2019. We completed a user needs review for an online application process for professional reviews, but its implementation has been put on hold because of Project Telford – the programme to replace ICE’s current membership database.

- ICE Exam. The exam will benefit prospective CEng candidates who need to demonstrate 'further learning' to close a gap in their academic base. We have defined the syllabus, created a reading list, commissioned training modules with ICE Training, and are working with UCL to develop the exam itself. The first pilot examination is scheduled for September 2019 in London. In parallel, we also launched a new Experiential Learning assessment to the same end in March, suitable for experienced engineers, with 63 applications received in 2018.
- Apprenticeships. We have been engaging with employers, training providers and government to set up End Point Assessment processes which incorporate our professional review for appropriate apprenticeships – with the first two candidates from the Railway Engineering Design Apprenticeship sitting and passing their assessments in the Autumn. We held a conference for employers and training providers in December and are acting on the findings early in 2019: setting up contracts and firming up on fees; planning for assessment centres in the summer; and revamping guidance and training to reflect the fact that EPAs are similar but different to professional reviews.
- Streamlining. We convened a working group to look at ways to improve ICE's qualifications processes and guidance, building on the findings of the 2017 Annual Membership Survey. The working group has clarified the areas that require more detailed work and will commission an action plan in early 2019 to take forward those findings.

What we will do next – 2019 Objectives

- International
 - Membership Development
 - Grow the paying international membership by 2% and ensure a lapsing rate of 4%. We will do this through pipeline management and tracking foreign UK-based students back to their home country.
 - Establish Academic Partnerships in South China Greater Bay Area through the Hong Kong office. Also deliver Experienced Engineer campaigns in SCGB.
 - Deliver two RTA-style contracts in support of Thomas Telford Limited.
 - Knowledge. We will design and deliver a retention and engagement plan for Europe, Australasia and the Americas, including a pilot PHD CPD offer.
 - International Policy. We will launch a flagship international policy piece with the Policy team to maximise engagement with supranational to the benefit of ICE. Where possible collaborate with others, including RCIS, RIBA and other Professional Engineering Institutions.
- Member Engagement
 - Produce Policy on Member Journey to ensure seamless movement through every stage of professional development.
 - Collaborate with Communications to ensure synergies between WICE and Membership Offer, including website and collateral.
 - Collaborate with the Apprenticeship Manager in developing a compelling Apprentice offer and coordinate member engagement within the programme.
- UK regions
 - We will embed the ICE 200 outward looking Plan into regional programmes to improve the public's understanding of civil engineering and to provide society with the assurance they need to have confidence in our members.
 - We will work with volunteers to inspire the next generation of young people through our 6th Form Engagement Programme, targeting 16-17-year-old, with the aim of getting more of those studying the 'right' subjects to apply for civil engineering further study and careers.
 - We will seek to reduce our member lapsing figure to 2% (<1,500 members) to improve on our 2018 results.
 - We will develop regional knowledge programmes to reflect a rapidly changing industry and respond to the needs of a membership spread across many generations.
 - We will identify opportunities to engage with central knowledge programme (focusing on global and national societal issues affecting our sector), to be delivered in region.

- Membership Recruitment
 - Membership Support Centre. We will relocate our Birmingham office which hosts our Membership Support Team (and regional team), the new offices will enable increased collaboration and flexibility with improved facilities and meeting rooms.
 - Digital Support Programme. We will evolve and expand our highly successful membership webinar programme to deliver enhanced remote online support via new webinars, videos and digital content.
 - Mentor support. Our Membership Recruitment Team will focus on enhanced support for Supervising Civil Engineers, Delegated Engineers and Mentors. Our membership survey and engagement activity confirm that mentoring is vital to successful professional development, and we will deliver enhanced forums, briefings and guidance to mentors to enhance consistency and effectiveness.
 - Streamlining. We will deliver enhancements to our membership admission processes to ensure the applicant is placed 'at the heart of the process' and deliver greater value for all stakeholders.
 - Partnerships. We will expand both our Academic and Corporate Partnerships further. We will enhance interaction and best practice sharing between our partners including improved ICE updates, briefings and a partnership event.
- Education and Inspiration
 - Promoting civil engineering in schools. We will continue to encourage ICE members to volunteer as school ambassadors, ramp up the sixth-form campaign across ICE regions to attract more students onto civil engineering courses, and work with the wider engineering community to make a success of the Tomorrow's Engineer programme. In doing so, we will leverage ICE's digital and exhibition platforms to encourage more young people to consider a career in engineering.
 - QUEST. We will engage with QUEST in delivering a sustainable long-term business plan.
- Qualifications
 - International agreements. Changes in international agreements in 2015 alter the requirements for candidates with 'Washington Accord' degrees. They will start to affect a number of those wanting to sit professional reviews from 2021 onwards – including candidates from Hong Kong. We will develop both assessment methods (e.g. the ICE Exam) and mutual recognition agreements so that ICE qualifications remain relevant and accessible.
 - Apprenticeships. In 2019 we will put our assessment processes on a fully operational footing (i.e. contracts, fees, assessment-centre schedules, training and guidance, quality assurance inspections, etc.) and work with ICE's newly appointed Apprenticeship Manager to engage more effectively with employers and training providers.
 - Reviewer recruitment and training. The number of reviews has doubled in ten years and looks to grow further with the introduction of apprenticeship End Point Assessments. We will run a recruitment and training campaign to grow the reviewer pool and ensure we have sufficient capacity in the future. Initial estimates suggest a growth of 40% over the next two years will be required to meet demand and build in headroom.
 - Mandatory CPD. The annual CPD audit will be modified to reflect the new regulations and we will refresh our communications so that members understand the value of CPD to their professional lives and that sanctions are now available for those who are found not to be recording their CPD.
 - Streamlining application processes. We anticipate that revised application processes will be defined in 2019, with 'quick wins' implemented directly, and more logistically challenging developments planned for 2020. The work will ensure compliance with UKSPEC.

Dial 2 – Provide whole life learning to our members

What we said we would do - 2018 Objectives

- Whole-life Learning. In 2018 the ICE will launch a new Intelligent Search capability of all of ICE's library and Archive material – available online. This will be the first time archival material will be readily searchable in the ICE's 200 year history. We will roll out the online learning platform to enable members to access the curated learning programmes created during 2017 and improve the career guidance work with the provision of a Career Guidance Tool and improved CPD recording tool. We will further integrate the events programme and broaden the ICE's Learning Society function by encouraging more members to become involved within the Communities of Practice. We will pilot the delivery of ICE learning internationally.

- ICE 200. The Superheroes exhibition will run for the whole of 2018, the 'What is Civil Engineering' content will develop throughout 2018 and the ICE 200 commemorative book will be launched. The key event of 2018 will be a Global Engineering Congress to be held in London in October. This event will see the ICE bringing the engineering community together to turn knowledge into action around the United Nations Sustainable Development Goals (UNSDG) from an engineering perspective.

What we did - 2018 Performance and Achievements

- Whole life learning. The Intelligent search and new online learning platform, *The ICE Learning Hub*, was launched and this has already seen significant take up of online learning opportunities by members. By linking the online programmes with our face-to-face activities, and the increased use of *Communities of Practice*, we have seen member engagement in knowledge increase by 15%.
- We have seen our ICE 200 work enable engagement with a much wider community that encompasses the public and international professionals from allied sectors. The Global Engineering Congress demonstrated the ICE is a global leader in facilitating the engineering and infrastructure debate. 3500 people, from over 80 countries attended the event.
- The Vice President of the Learning Society led the ICE Skills Review which reported in July 2018. The review was the most detailed study by the Institution of the Institution's role in assuring society of the competence of engineers within the infrastructure and competence arena for the last 25 years. The review was cognisant of other industry, academia and institutional needs as well as the post-Grenfell work of Hansford's '*In Plain Sight*' and the Hackitt reviews.

What we will do next – 2019 Objectives

- Provision of Competence Assurance. Following the ICE Skills, *In Plain Sight* and Hackitt reviews we will develop a suite of interventions to address the recommendations. Pilot assurance models will be tested, supported by various training packages to ensure the recommendations of the reviews are addressed and members place themselves in the best possible position to demonstrate they are competent, throughout their career.
- Expand the influence of the Learning Society. Much of the enabling infrastructure and mechanisms are now in place to accelerate the expansion of the Learning Society. By providing a vibrant community of practice model that enables effective networking, knowledge transfer, across topics of local and global importance the ICE Knowledge offer will become more important in enabling the ICE vision 2025 to become reality. Leveraging the goodwill and enthusiasm generated by the Global Engineering Congress, longer links will be built across the ICE regions, within the UK and internationally, to enable better knowledge transfer and provide members with highly relevant and timely learning.

Dial 3 – Identify and shape the big issues

What we said we would do - 2018 Objectives

- Influencing decision makers and opinion formers
 - Seek adoption of ICE Policy submissions and consultation recommendations into Government policy.
 - Improve government attendance and speakers at ICE events compared to 2017 levels.
 - Achieve an increase in Industry leaders from different organisations approaching ICE for policy and public affairs support/briefing when they are engaging Government compared to 2017 level.
- Shaping Government and Industry
 - Conclude the development phase and launch the Project 13 products to a public audience in spring 2018.
 - Transition to the implementation phase of Project 13 in summer 2018, with support from ICG, identifying at least 3 Flagship Programmes.
 - Deliver the final In Plain Sight report.
 - Introduce a new agile workstream of policy mini projects.
 - Continue with the follow up the National Needs assessment by delivering the State of the Nation 2018 focusing on infrastructure investment.
- Public awareness of Civil Engineering. We will place two major think pieces into mainstream broadsheet media as part of ICE 200.
- Leading the debate

- Publicly launch the revised Thought Leadership programme during the third quarter.
- Increase the number and diversity of grades of members engaged in Thought Leadership activities compared with 2017 levels.
- Increase the number of Tier 2 & 3 contractors engaged with ICE Policy & Thought Leadership activities compared to 2017 levels.

What we did – 2018 Performance and Achievements

- Shaping Government and Industry
 - A series of Project 13 outputs were launched in 2018, including a Blueprint and a Commercial Handbook, plus an online maturity matrix and road map tool for helping organisations to adopt Project 13 principles. Six organisations are also trialling the principles as ‘early adopters’: Heathrow, Network Rail, the Environment Agency, National Grid, Anglian Water and Sellafield. Through a targeted pre-launch stakeholder engagement programme, including two launch events and two preview events, we achieved an overall average engagement rate of 119% across key stakeholder groups. In addition, we briefed and prepared a member of the Infrastructure Client Group to speak at a House of Lords Select Committee hearing, giving contextual evidence on Project 13 to the Committee and the Construction Minister; resulting in the Committee’s Parliamentary report referring to the Project 13 business model. Since its inception, the Project 13 Community now stands at over 500 and has attracted increasing overseas interest, including in Hong Kong.
 - *In Plain Sight: Assuring the whole-life safety of infrastructure* put forward a series of recommendations to ICE and the wider built environment sector to mitigate the risk of critical infrastructure failure. It follows an interim report published in November 2017 and outlines required improvements in assessing the competence of civil engineers, asset governance and lesson sharing pertaining to incidents or near misses. The launch event for the report saw attendance from CEOs from all professional engineering institutions and client organisations. ICE Council is taking forward the recommendations.
 - The *State of the Nation 2018: Infrastructure Investment* report set out a series of sector specific and cross-cutting recommendations to improve the funding and financing of infrastructure in the UK. Key recommendations for government include: moving towards a pay-as-you-go system for the busiest roads in England; exploring the feasibility of establishing a UK investment bank should access to European Investment Bank finance be lost as a result of Brexit; and taking more active steps to facilitate the use of alternative funding and financing mechanisms in infrastructure (asset recycling, land value capture and crowdfunding). The report’s publication was supported by a high-profile launch event, which attracted a 120% oversubscription rate; securing meetings with all major Government departments to seed the report and increase the likelihood of its recommendations being adopted in 2019.
- Across our Thought Leadership workstreams we continued to lead the debate:
 - On infrastructure transformation we delivered a future mobility roundtable and report covering challenges and opportunities around CAVs, data availability and management, and the future of roads funding. We also delivered an AI workshop and report examining the potential of different forms of AI technology to improve the maintenance of existing infrastructure assets.
 - We held the Inclusive Cities Day, where almost three quarters of the speakers were female. The event had a very high Twitter engagement and brought in a high number of non-members with a diverse demographic through ICE’s doors. A discussion paper capturing the day was published.
 - We also held an APPGI event on ‘What makes a Feminist City?’, which attracted high profile speakers including Chi Onwurah MP and campaigner Helen Pankhurst. As a result, a room in One Great George Street has been renamed to that of ICE’s first female member, Dorothy Buchanan.
- Several policy mini-projects were also delivered, including:
 - A fresh approach to reducing congestion caused by roadworks – on the need for outcome-based approaches to delivering roadworks.
 - Brexit and infrastructure connectivity – which looked at future infrastructure need post-Brexit alongside associated requirements.
 - Delivering electric vehicle charging infrastructure in the UK – which called for a review of the strategies and incentives for EV uptake.
 - Improving approaches to risk in the built environment sector – the paper explores steps that can be taken to address project risk and secured a meeting with the Exchequer Secretary, Robert Jenrick MP, and ongoing engagement with HMT.

- Potential implications of the nationalisation of infrastructure – this discussion paper identifies the potential effects that nationalising parts of Great Britain's economic infrastructure, namely rail, water and energy, would have on investment and service delivery.

What we will do next – 2019 Objectives

- Demonstrate how infrastructure is used, and why, as well as developed, to help shape policy. Lead the debate on global and national societal issues, demonstrating that we are a global organisation. Demonstrate we are an organisation which looks to help engineers solve global problems and Help the public to understand how civil engineering transforms lives, and its huge societal benefit.
- We will continue to be agile in delivering mini-policy projects to ensure the ICE remains relevant to the debates on infrastructure, answering questions for an expected Spending Review. We will deliver our annual State of the Nation report, this year on the link between housing and infrastructure a crucial public issue. In leading the global debate, we will pilot an international policy project which looks at global best practice in infrastructure planning and delivery Our engagement with society will also increase to ensure the public debate on infrastructure considers what society needs.

Finance, projects and resources

ICE's business planning process includes an objective of improving the financial position and organisation generally, with measurable objectives and monthly reporting of key performance indicators.

What we said we would do - 2018 Objectives

- Induction and on-boarding. Improve the experience of new starters to the organisation to ensure they are embedded into the organisation and understand our vision, values and goals.
- Employee Engagement. Maintain our employee engagement levels and the commitment of colleagues to reaching Group goals, whilst developing in their role and careers
- Learning and development. Employee surveys have continued to identify the appeal of learning and development opportunities within the Group and we will try to capitalise on this with a stronger programme that increase our employee value proposition.
- Internal Communications. We will look to embed the organisational objectives into all internal communications and help colleagues understand the role they play in delivering them.

What we did – 2018 Performance and Achievements

- Induction and Onboarding. In 2018 ICE Group introduced a more in-depth induction plan for new managers, presented by the respective HR business partners. Following delegate feedback, modifications were also made to the Director General's Welcome Day, with further changes proposed for 2019.
- Employee Engagement. Overall employee satisfaction fell slightly from 77.6% in 2017 to 74.2%, a decrease of 3.4%. Whilst a slight drop, the score is still impressive, and employees still remain personally committed to achieving the overall aims of the Group.
- Learning and Development. ICE Group delivered a range of courses hosted by internal and external providers. There was a broader selection of courses available and ICE Group continued to deliver regionally based courses outside of London headquarters. ICE continued to offer secondments to internal employees where practicable.
- Employee Well-Being. ICE Group launched a wellbeing allowance to foster employee health and promote a positive work culture. This enables employees to be reimbursed for items, events or activities that are deemed beneficial to their overall health and wellbeing. The initiative received a high level of positive feedback from employees and will be an ongoing programme.
- Gender Pay Report. ICE Group submitted its Gender Pay Gap figures in March 2018, reporting a mean gap of 26.2% and a median gap of 16.0% (against a national average mean average of 17.4% and a median average of 18.4%). It was recognised that a significant contributor to this issue was the makeup of ICE's senior leadership team.

What we will do next - 2019 Objectives

- Human Resources are in the process of finalising the 2019-2022 people strategy that will refresh our current offering. The revised strategy will continue the overarching objective of providing motivated and skilled employees and will focus on five key areas: attracting talent; developing and supporting staff; rewarding and recognising employees; improving culture and collaboration; and creating and sustaining an inclusive environment.

- Employee Engagement. We will refresh the employee engagement process, introducing more regular, shorter surveys to test the 'pulse' of our employees.
- Learning and Development. We will work with internal stakeholders and external consultants to assess the training needs of staff and to revamp ICE's Learning and Development philosophy.
- Benefits. We will conduct a benefits review to assess employee satisfaction with the current benefits on offer and to assess what more could be done.

Where the money comes from and where it is spent

The table below provides a high-level breakdown of income, as shown in the consolidated statement of financial activities for 2018 and notes to the financial statements.

	2018		2017	
	£'000	%	£'000	%
Where the money comes from:				
Membership subscriptions	13,263	37	12,880	38
Examinations and other training fees	1,466	4	1,324	5
Other charitable income	2,184	7	1,740	5
Trading activities	17,313	48	16,319	48
Investment income	391	1	381	1
Donations, legacies and other income	1,092	3	1,646	3
	35,709	100	34,290	100

The table below provides a high-level breakdown of expenditure, as shown in the consolidated statement of financial activities for 2018.

	2018		2017	
	£'000	%	£'000	%
Where the money is spent:				
Charitable activities	22,738	63	19,889	60
Trading	13,259	36	12,677	39
Fundraising and investment	301	1	312	1
	36,298	100	32,878	100

The majority (63%) of ongoing expenditure continued to be incurred directly on charitable activities (2017: 60%), in pursuance of the charitable object set out in the Royal Charter. Qualification and Membership related expenditure, which covers the cost of admissions and transfers, professional reviews and professional learning and development, accounted for £13.5m (2017: £12.0m) of expenditure on charitable activities. A further £6.0m (2017: £5.1m) was spent on Knowledge and Professionalism, which includes costs related to nurturing and sharing civil engineering knowledge.

Trading activities accounted for £13.3m (36%) of total expenditure; (2017: £12.7m, 39%), primarily incurred in ICE's trading subsidiary, Thomas Telford Limited ("TTL"). While expenditure varies in relation to the volume of trading activity, the key measure of effectiveness is the profit generated. This is then used to support charitable activities and mitigate increases to membership subscription tariffs. Trading activities generated a profit of £4.1m in 2018 (2017: £3.6m). The remaining 1% of expenditure was incurred on fundraising and management costs of ICE's investment portfolio.

The cost of front line services to members is included within charitable activities and accounted for £15.2m (67%) of total charitable expenditure (2017: £13.5m, 68%), reflecting a commitment to improving the range and quality of digital related services, whilst at the same time pursuing operational efficiencies.

Also included within charitable and trading expenditure were support costs (IT, HR, Premises, Finance, and Management), totalling £8.2m and representing 23% of total expenditure (2017: £7.2m, 22%).

Financial review

Overall result

The Group's financial position worsened before an actuarial loss in 2018, with a decrease in overall reserves of £2.1m, summarised as follows:

	2018 £'000	2017 £'000
Net (expenditure) income before other recognised gains and losses	(1,778)	2,847
Actuarial (loss) gain on defined benefit pension scheme	(340)	5,184
Gain on revaluation of heritage assets	–	7,769
Net movement in funds	(2,118)	15,800

The Group incurred net expenditure before other recognised gains and losses of £1.8m (2017: net income of £2.8m). The result was due to planned expenditure in the Institution's bicentenary year and losses on the investment portfolio. The investment portfolio recorded an overall negative return of 4.67% (2017: positive return of 8.6%) for the year, which also contributed to the investment loss of £1.2m (2017: gain of £1.4m).

The actuarial loss on the defined benefit pension scheme was £0.3m, compared to a gain of £5.2m in 2017. The 2018 loss is mainly due to lower than anticipated returns on the plan assets.

Income and trading

Total income for the year was £35.7m, an increase of £1.4m from 2017 (£34.3m).

ICE's trading operations are largely carried out through Thomas Telford Limited, whose principal activities include the publication of contracts, books and quality journals, the provision of training, and the provision of meeting and hospitality facilities. ICE also runs a number of conferences and seminars directly, in pursuance of its charitable purpose to promote civil engineering rather than for commercial return, including, in October 2018, the Global Engineering Congress.

TTL's net trading result for the year was a net profit of £4.6m (2017: £3.6m) and is detailed in Note 3c on page 35. The increase in TTL profit was largely driven by the positive performance of the NEC division and the conference venue One Great George Street. The whole of the TTL profit is gift aided to the Institution under a Deed of Charitable Covenant dated 4 December 2017.

Charitable application

ICE was able to allocate £22.7m (2017: £19.9m) directly to fulfilling its charitable objectives. Membership qualification activities accounted for £13.5m (2017: £12.0m) and the Knowledge and Professionalism role of nurturing and sharing civil engineering knowledge accounted for a further £6.0m (2017: £5.1m). Finally, Informing Opinion expenditure, which is related to advisory, informing policy and promotion of best practice, accounted for the balance of £3.2m (2017: £2.8m). Amounts spent regionally are set out in the table in Note 6b on page 36.

Restricted funds

Within the Restricted Funds, the Queen's Silver Jubilee Scholarship Trust (QUEST) enjoyed another successful year. Donations totalled £398k (2017: £428k). Grants totalling £794k (2017: £761k) were awarded to 486 scholars during the year (2017: 443). The Research and Development Enabling Fund awarded six new grants in 2018 (2017: six) with an average grant per recipient of £21k (2017: £22k). The Into Civil Engineering Fund expanded and grants totalling £63k (£47k) were made to 15 students (2017: 11).

Capital expenditure

Capital expenditure totalled £0.8m (2017: £2.9m). Expenditure was incurred in the prior year to reinstate the Lower Ground 2 area of One Great George Street which was damaged during a flood in 2016.

Cash Flow

Net cash inflow of £0.5m (2017: inflow of £3.2m) was generated by the Group's operating activities during the year.

Investment policy

There are no restrictions on the Charity's power to invest, and the investment policy of the Institution is to seek the maximum return over the medium term having due regard to risk. The Institution is active in ensuring that a socially responsible and ethical approach is followed by the investment management funds through which monies are invested, either requiring managers to be signatories to the UN's Principles for Responsible Investment (UNPRI) or by ensuring their approach is consistent and compatible with UNPRI. Investments are allocated to specific funds within agreed asset allocation ranges, and their performance is regularly reviewed against appropriate benchmarks.

Risk management

Risk management is embedded within the Group.

Risk registers are regularly updated by the Directors and reviewed by the DG Board and the Audit Committee. Risks are categorised against the four dials, the main areas of activity for the organisation. The top risks against each of the dials are presented below:

Risk Description	Risk Management – plans in place
Dial One – Grow Membership <ul style="list-style-type: none"> Reduction in renewal of membership Pipeline reduces Withdrawal from the Washington Accord 	<ul style="list-style-type: none"> Effective lapsing process Marketing campaign through Membership Development Officers 6th Form Engagement program MRT benefits of Company Accredited Training Schemes MRT promote End Point Assessment with FE/HE (Apprentices) Continued promotion of profession to public/parents Development of the ICE Exam
Dial Two – Grow Life Long Learning <ul style="list-style-type: none"> Failure to provide digital tools and useful content for learning Incoherent narrative across Knowledge and Policy results in confusion and lack of credibility 	<ul style="list-style-type: none"> VLE implemented and ongoing development of Professional Development support tools Clear Target Audience Analysis (TAA) of key global stakeholder and engagement programme in creation
Dial Three – Shape the Big Issues <ul style="list-style-type: none"> Brexit Policy programme drifts from being relevant 	<ul style="list-style-type: none"> Focus policy output on strategic medium-term topics which will be relevant regardless of Brexit outcome TAA and strategy to target policy outputs Embed ICE as 'trusted' advisor to support civil servants under pressure Ensure programme focused on questions being asked by decision makers
Dial Four – Supporting delivery <ul style="list-style-type: none"> Free reserves fall below the target Cyber security breach Reputational risk due to failed governance and/or leadership 	<ul style="list-style-type: none"> Free reserves are monitored monthly. The Free Reserves position is budgeted and re-forecast Cyber Security and GDPR compliance monitored regularly, with penetration testing and assessment performed by external experts ICE monitors best practice in governance, with reference to the Charity Governance Code, including policies on Equality and Diversity

The action plans identified through the risk register are included in the Institution's annual business planning and budgeting cycle and in the individual objectives for managers and staff.

Audit Committee

The Audit Committee met regularly throughout the year to review the management of risk and to assess the overall risk profile of the Institution. Based on this ongoing review, the Committee maintained its regular cycle of reviews and reports on selected internal control processes. The Committee reports annually to the Trustee Board with a summary of its work, highlighting the major risks, how they are managed and how their potential impact is managed and mitigated. Some of the areas in which the Committee undertook reviews in during 2018 were:

- ICE 200 activity, plans and outcomes;
- ICE gender pay gap reporting and outcomes;
- Volunteer management across the organisation; and
- MIS development plans across the organisation.

Reserves policy

ICE maintains reserves for the following reasons:

- The trading activities of TTL are cyclical and difficult to predict in the medium to long term. The Institution remains aware of the need to diversify its income streams and to minimise the extent to which TTL profits fund the core cost base of the Institution.
- ICE is exposed to several risks, which may interrupt income streams or require additional investment. Reserves are held for contingency purposes.
- Investment balances are subject to potentially adverse change should market conditions deteriorate.
- Pension liabilities could increase further as they are dependent on scheme investment performance, long term gilt rates, investment returns and mortality assumptions.
- Major long-term investments are expected to be necessary in the coming years to ensure ICE responds to changes in its operating environment and remains relevant to the needs of society and of its members. Reserves are required for “step change” investments, where funding is expected to be in excess of cash generated through annual operations.

The Trustee Board keeps under review the adequacy of free reserves. This includes unrestricted funds before any FRS 102 pension liability, reduced by the net book value of fixed assets on the basis such assets support the charity’s activities and cannot readily be converted to cash. The resultant policy is to build up free unallocated reserves to the equivalent of three to six months of operating expenditure with a current target of four months, being £10m. This figure reflects the best estimate of what is required to be set aside for the risks and future investment needs outlined above.

Total ICE funds at 31 December 2018 amounted to £64.6m (2017: £66.7m).

Of these total funds, free reserves stood at £9,955k, a decrease of £1,288k from the prior year (2017: £11,243k), and a value just below the target of £10m. This was mainly due to the additional activities undertaken in the Institution’s bicentenary year for ICE 200 and losses in the investment portfolio. It is the Trustee Board’s expectation that whilst actual reserves will not change significantly in 2019, subject to investment portfolio valuation movements, capital expenditure requirements may result in a re-assessment of the free reserves target.

ICE is also mindful of the necessity of maintaining adequate liquidity and therefore maintains a liquidity policy of ensuring freely available cash and investment balances do not fall below £6.0m. At 31 December 2018 they stood at £17.9m (2017: £19.7m).

Pay Policy for Senior Staff

Members of the Trustee Board and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Group on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustee’s expenses and related party transactions are disclosed in notes 9 and 10 to the accounts.

The remuneration of senior management at director level and above is reviewed and approved annually by the ICE Group Remuneration Committee. This Committee is chaired by a recent Past President. The Committee ensures arrangements are affordable and fair, and designed to motivate and reward performance in the interest of the ICE Group. Remuneration is benchmarked periodically using external surveys and data which include both commercial and not for profit organisations.

Related parties and connected organisations

The ICE has one fully owned subsidiary undertaking, Thomas Telford Limited, which donates its profits to the ICE. This is then used to support charitable activities. ICE also owned the entire share capital of The Institution of Civil Engineers (Hong Kong) Limited.

The ICE works with a number of charitable organisations in pursuit of its charitable objectives, including the Benevolent Fund of the Institution of Civil Engineers and fourteen Specialist Knowledge Societies, closely affiliated membership bodies with interests in specialist areas of civil engineering.

The ICE also acts as a custodian trustee for funds for several of these Societies. At 31 December 2018 the assets of these funds, which are held in cash separately from the assets of the ICE, were valued at £215k (2017: £195k).

Structure, governance and management

A membership ballot was held from 1 June to 10 July 2018 to consider proposals to amend the Royal Charter, By-laws, Regulations and Rules. The proposals were approved and were subsequently allowed by the Privy Council at its meeting on 10 October 2018. The current Royal Charter and By-laws of the Institution of Civil Engineers (“ICE”) came into effect from 6 November 2018.

The ICE is governed by a Trustee Board which is responsible for the Institution’s strategic decision making.

The Trustees are supported by a Council, which approves the Trustee Board members and are themselves directly elected by the members.

The Trustee Board membership is comprised of the President, seven Vice Presidents and four Council members. All Trustees are approved annually by the ICE Council. The 38 strong Council is elected by the ICE membership.

The President is elected annually by Council and is a leading civil engineer. The President represents the ‘public face’ of the profession, promoting civil engineering around the world.

The Trustee Board meets no fewer than five times a year to carry out its corporate governance responsibilities, to determine strategic direction and to set ICE policy in matters of education, training, qualification and knowledge. The Trustee Board is supported by the advisory Council which offers assistance, insight and advice on the derivation of the ICE’s strategy and plan. Business risk and audit matters are delegated to an Audit Committee which reports directly to the Trustee Board. An advisory Investment Panel, also reporting to the Trustee Board, oversees the appointment and performance tracking of the investment managers.

The Trustee Board is ultimately responsible for governing the Institution, with specific responsibilities delegated to the key standing committees (Membership, Learning Society, Regional Affairs, International and Public Voice Committees). Day-to-day management of the affairs of the Institution is the responsibility of the Director General & Secretary.

Council members are members of the Institution of Civil Engineers and are elected by members worldwide, usually for a period of three years. There are regional members for each of the twelve UK regions and Hong Kong, and there are members representing each of ICE’s international areas: Europe and Central Asia, Asia Pacific, Middle East and Africa, and the Americas.

To maintain continuity, a third of Council seats come up for election each year. All elected members work closely with the Director General & Secretary and other ICE directors and employees to develop and implement the business plan to ensure that ICE fulfils its public benefit role of promoting and disseminating civil engineering knowledge and expertise. All Council members are members of ICE and, as such, must comply with the ICE Code of Professional Conduct.

As part of their induction, new Trustee Board and Council members are given the Governance Handbook. This contains the Royal Charter and By-laws, an outline of the role and procedures of the Trustee Board and Council and the terms of reference of the Trustee Board, Council and other major committees. Trustee Board members are also directed towards guidance and information about trusteeship which is available through the charity regulatory bodies (Charity Commission and Office of the Scottish Charity Regulator). Trustee Board members must ensure that they fully understand their responsibilities as trustees. Training to support them in this is provided.

Issues of particular concern to Graduate and Student members are the focus of the Graduate and Students’ Network (GSNet), and there is a standing invitation for their Chair to attend ICE Council meetings.

ICE’s Council convened a Presidential Commission into ICE Governance in November 2018. The Commission is an advisory body and its purpose during 2019 is to make recommendations to the Council and Trustee Board on the governance of the Institution to enable it to deliver its Royal Charter objects as effectively as possible.

Professional conduct matters

The Professional Conduct Panel (“PCP”) considers complaints against ICE members, and the Disciplinary Board adjudicates on cases referred to it by the PCP. The Disciplinary Board has powers to make orders against members found guilty of improper conduct, which in the most serious cases may be expulsion from ICE membership.

Professional Conduct Panel

In 2018 the PCP considered 19 complaints against members regarding their professional conduct. In seven cases the Panel determined that there was no case to answer and the complaint was dismissed. In two cases the complaint was withdrawn partway through the process. Eight cases have been carried forward to 2019.

In one case the panel found that the member appeared to have breached the rules of professional conduct, but not seriously enough to be referred to the Disciplinary Board. The member received advice from the Panel. In four cases the apparent improper conduct was serious enough to be referred to the Disciplinary Board. One of the cases was heard and dismissed with no further action. The remaining three are scheduled for hearing in 2019.

Disciplinary Board

The Disciplinary Board heard two cases in 2018 that were referred by the PCP in 2017. Both members were found guilty of improper conduct, with the outcomes being Suspension and Expulsion respectively.

In 2018 no cases heard by the Disciplinary Board were appealed.

Reservoir Safety - Reservoirs Committee

During 2018, the ICE Reservoirs Committee dealt with 45 applications from civil engineers seeking appointment or reappointment to panels of engineers under the Reservoirs Act 1975 for the construction, inspection and supervision of large raised reservoirs in Great Britain. In 10 of these applications, the committee found that the applicants concerned were not qualified for appointment.

Members

The role played by our members, who so generously volunteer their time to serve the Institution, cannot be overestimated. Their expertise is vital across a number of charitable activities, including (i) the professional review process by which individuals are assessed for qualification to membership, and (ii) acting as STEM (Science, Technology, Engineering, and Mathematics) ambassadors to schools. It is estimated that over 10,000 members volunteer their time each year.

The Trustee Board are grateful for the contributions of members and recognises that without their efforts there could be no Institution.

Auditors

BDO LLP offer themselves for reappointment as auditors at the Annual General Meeting.

Approved by the Trustee Board and signed on their behalf on 16 April 2019 by:

A handwritten signature in black ink, appearing to read 'Andrew Wyllie', written over a horizontal line.

Andrew Wyllie CBE FREng MBA BSc CEng FICE CCMI
President

Statement of Trustees' Responsibilities

For the year ended 31 December 2018

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the income and application of resources, including the income and expenditure, of the group and charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Provision of information to the auditor

Each of the persons who are Trustees at the time when the Trustees Report is approved has confirmed that:

- so far as the Trustee is aware, there is no relevant audit information of which the Charity's auditors are unaware; and
- the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Independent auditor's report to the trustees of the Institution of Civil Engineers

For the year ended 31 December 2018

We have audited the financial statements of Institution of Civil Engineers ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 31 December 2018 which comprise the consolidated and parent charity statement of financial activities, the consolidated and parent charity balance sheet, the consolidated statement of cash flows 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).

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 2018 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Charities and Trustee Investment (Scotland) Act 2005 and regulation 6 & 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: the President's Forward, the Reference and Administrative Details and the Trustees Report. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify 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
- proper accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, 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.

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.

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.

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: <https://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
London
United Kingdom

Date: 29 April 2019

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 2018

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2018 £'000	Restated Total 2017 £'000
Income from:						
Donations and legacies	1	138	843	–	981	1,646
Charitable activities						
Subscriptions and other income	2	16,808	105	–	16,913	15,933
Other trading activities	3a	17,313	–	–	17,313	16,319
Investments	4	301	90	–	391	381
Other	5	111	–	–	111	11
Total		34,671	1,038	–	35,709	34,290
Expenditure on:						
Raising funds						
Fundraising	3b	160	–	–	160	172
Trading activities	3c	13,259	–	–	13,259	12,677
Investment managers fees	3b	109	32	–	141	140
Charitable activities						
Qualification	6	12,588	944	–	13,532	11,977
Knowledge and Professionalism	6	5,838	166	–	6,004	5,081
Informing Opinion	6	3,126	76	–	3,202	2,831
Total expenditure		35,080	1,218	–	36,298	32,878
Net (losses) gains on investments		(916)	(213)	(60)	(1,189)	1,435
Net (expenditure) income		(1,325)	(393)	(60)	(1,778)	2,847
Transfers between funds		428	(428)	–	–	–
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension scheme	22	(340)	–	–	(340)	5,184
Gains on revaluation of heritage assets	13	–	–	–	–	7,769
Net movement in funds		(1,237)	(821)	(60)	(2,118)	15,800
Reconciliation of funds:						
Total funds brought forward as previously reported		59,769	4,936	1,026	65,731	50,931
Effect of restatement	25	1,000	–	–	1,000	–
Total funds brought forward as restated		60,769	4,936	1,026	66,731	50,931
Total funds carried forward		59,532	4,115	966	64,613	66,731

All income and expenditure are derived from continuing activities.

There are no other recognised gains or losses other than those stated above.

An extended version of the comparative consolidated statement of financial activities with split of funds is presented in note 26 on page 51.

The accounting policies and notes on pages 29 to 52 form an integral part of these financial statements.

Charity Statement of Financial Activities

For the year ended 31 December 2018

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2018 £'000	Restated Total 2017 £'000
Income from:						
Donations and legacies	1	4,695	843	–	5,538	5,274
Charitable activities						
Subscriptions and other income	2	16,808	105	–	16,913	15,933
Other trading activities	3a	1,916	–	–	1,916	2,369
Investments	4	301	90	–	391	381
Other	5	111	–	–	111	11
Total		23,831	1,038	–	24,869	23,968
Expenditure on:						
Raising funds						
Fundraising	3b	160	–	–	160	177
Trading activities	3c	2,419	–	–	2,419	2,353
Investment managers fees	3b	109	32	–	141	140
Charitable activities						
Qualification	6	12,588	944	–	13,532	11,977
Knowledge and Professionalism	6	5,838	166	–	6,004	5,081
Informing Opinion	6	3,126	76	–	3,202	2,831
Total expenditure		24,240	1,218	–	25,458	22,559
Net (losses) gains on investments		(916)	(213)	(60)	(1,189)	1,435
Net (expenditure) income		(1,325)	(393)	(60)	(1,778)	2,844
Transfers between funds		428	(428)	–	–	–
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension scheme	22	(340)	–	–	(340)	5,184
Gains on revaluation of heritage assets	13	–	–	–	–	7,769
Net movement in funds		(1,237)	(821)	(60)	(2,118)	15,797
Reconciliation of funds:						
Total funds brought forward as previously reported		59,754	4,936	1,026	65,716	50,919
Effect of restatement	25	1,000	–	–	1,000	–
Total funds brought forward as restated		60,754	4,936	1,026	66,716	50,919
Total funds carried forward		59,517	4,115	966	64,598	66,716

All income and expenditure are derived from continuing activities.

There are no other recognised gains or losses other than those stated above.

An extended version of the comparative charity statement of financial activities showing the split of funds is presented in note 27 on page 52.

The accounting policies and notes on pages 29 to 52 form an integral part of these financial statements.

Balance Sheets

at 31 December 2018

	Note	Group 2018 £'000	Restated Group 2017 £'000	Charity 2018 £'000	Restated Charity 2017 £'000
Fixed Assets					
Intangible assets	11	780	797	–	–
Tangible assets	12	28,823	29,374	28,641	29,201
Heritage assets	13	15,200	15,193	15,200	15,193
Investments	14	19,072	20,595	19,373	20,896
		63,875	65,959	63,214	65,290
Current Assets					
Stocks	15	368	374	–	–
Debtors	16	4,197	3,462	1,958	1,662
Cash at bank and in hand		4,391	4,404	3,036	3,556
		8,956	8,240	4,994	5,218
Creditors: amounts falling due within one year	17	(11,133)	(9,768)	(6,738)	(6,271)
Net current liabilities		(2,177)	(1,528)	(1,744)	(1,053)
Debtors: amounts falling due after one year	16	29	58	29	58
Creditors: amounts falling due after one year	18	(1,280)	(1,664)	(1,067)	(1,485)
Total net assets before pension scheme asset		60,447	62,825	60,432	62,810
Defined benefit pension scheme asset	22	4,166	3,906	4,166	3,906
Total net assets		64,613	66,731	64,598	66,716
The funds of the group					
Endowment funds	24	966	1,026	966	1,026
Restricted funds	24	4,115	4,936	4,115	4,936
Unrestricted income funds	24	47,597	49,094	47,582	49,079
Pension reserve	24	4,166	3,906	4,166	3,906
Revaluation reserve	25	7,769	7,769	7,769	7,769
Total group funds		64,613	66,731	64,598	66,716

The financial statements were approved by the trustees on 16 April 2019 and signed on their behalf by:



Andrew Wyllie CBE
President



Nick Baveystock
Director General and Secretary



Paul Sheffield CBE
Senior Vice President

The accounting policies and notes on pages 29 to 52 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2018

	2018 £'000	2017 £'000
Cash flows from operating activities		
Net income before other recognised gains and losses	(1,778)	2,847
Adjusted for:		
Investment income	(391)	(381)
Net investment losses (gains)	1,189	(1,435)
Depreciation	1,169	1,907
Amortisation	195	137
Loss on disposal of tangible fixed assets	2	15
Donated heritage assets	(2)	–
Net interest on defined benefit pension scheme	(100)	43
Defined benefit pension scheme deficit reduction payments	(500)	(500)
Decrease (increase) in stocks	6	(73)
Increase in debtors	(706)	(136)
Increase in creditors	1,391	795
Net cash provided by operating activities	475	3,219
Cash flows from investing activities		
Investment income	391	381
Proceeds from the sale of investments	7,966	3,695
Purchase of investments	(7,716)	(4,117)
Purchase of heritage assets	(5)	(4)
Purchase of tangible fixed assets	(620)	(2,611)
Insurance income regarding replacement of tangible fixed assets	–	459
Purchase of intangible fixed assets	(178)	(328)
Net cash used in investing activities	(162)	(2,525)
Cash flows from financing activities		
Repayment of borrowing	(410)	(405)
Net cash used in financing activities	(410)	(405)
Change in cash and cash equivalents in the reporting period	(97)	289
Cash and cash equivalents at 1 January	4,579	4,290
Cash and cash equivalents at 31 December	4,482	4,579
Represented by		
Cash in hand	3,171	2,164
Short term deposits	1,220	2,240
Cash held by investment manager for reinvestment	91	175
	4,482	4,579

The accounting policies and notes on pages 29 to 52 form an integral part of these financial statements.

Principal accounting policies

For the year ended 31 December 2018

The principal accounting policies adopted by the charity and group are set out below.

Basis of preparation

The financial statements have been prepared 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value.

In preparing the separate financial statements of the parent charity, advantage has been taken of the following disclosure exemptions available in FRS 102: no statement of cash flows is presented for the charity and no disclosure has been given for the aggregate remuneration of the key management personnel of the parent charity as their remuneration is included in the totals for the group as a whole.

The charity constitutes a public benefit entity as defined by FRS 102.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

With regard to the next accounting period, the year ending 31 December 2019, the most significant areas that are likely to affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets.

Basis of consolidation

These financial statements consolidate the results of the charity and its wholly owned subsidiaries, Thomas Telford Limited ("TTL") and The Institution of Civil Engineers (Hong Kong) Limited, on a line by line basis.

Funds accounting

Unrestricted funds are reserves which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for specific purposes. In accordance with FRS 102 – Retirement Benefits, a pension reserve is included within unrestricted funds representing the value of the defined benefit pension scheme.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted reserves are funds which are allocated by the donor for specific purposes.

Endowment funds are assets which must be held permanently by the charity but income arising from the assets may be expended.

A description of the funds in existence during the year is included in note 22 to the accounts on pages 47 to 49.

Income

Income is recognised in the period in which entitlement is established, when economic benefit is probable and the value can be measured reliably.

Donations

Income from donations is included when the conditions for receipt have been met and there is a probable assurance of receipt. When donors specify that donations are for a particular restricted purpose which do not amount to preconditions regarding entitlement, this income is included in income of restricted funds when receivable.

Legacies

Recognition of legacy income is dependent on the type of legacy. Pecuniary legacies are recognised when notification is received. Residuary legacies are recognised when entitlement is established, and the value can be measured reliably, which is typically on grant of probate.

Member subscriptions

Income from member subscriptions is allocated to the year to which it relates, with payments received in advance held as deferred income.

Investment income and interest

Investment income and interest are accounted for when receivable.

Trading activities

Turnover arises from publishing, recruitment, catering, room hire and training. Turnover is recognised when the event, product or service has been delivered and the company has fulfilled its contractual obligations. It excludes value added tax and trade discounts. Income from journal subscriptions and event bookings is allocated to the year to which it relates, with payments received in advance held as deferred income.

Expenditure

Expenditure is included in the statement of financial activities on an accruals basis, inclusive of any VAT which cannot be recovered. Expenditure is allocated on the bases indicated below.

Cost of raising funds

Cost of raising funds comprises the costs of fundraising activities, commercial trading activities and investment management fees. Expenditure on other trading activities includes all the costs of Thomas Telford Limited, including the costs of goods sold.

Charitable activities

Charitable activities are those directly related to the objects of the charity and are reflected in these accounts under three main headings.

- Qualification
- Knowledge & Professionalism
- Informing Opinion

Under these headings are included grants payable and costs of activities performed directly by the charity, together with associated support costs.

Support costs

Support costs include property costs, HR, finance, IT and other administrative and governance costs associated with supporting the charitable activities. They have been allocated to the cost of charitable activities on a basis consistent with the use of resources using appropriate measures such as headcount and floor area. The basis of the cost allocation has been explained in the notes to the accounts.

Employee benefits

Defined contribution pension plan

Employer contributions to defined contribution pension plans are recognised as an expense when these are due. Amounts not paid are shown in Other Creditors in the balance sheet.

Defined benefit pension plan

The Institution of the Civil Engineers Staff Retirement Benefits & Life Assurance Scheme ("the Scheme"), a defined benefit pension scheme closed to future accrual in November 2010. The Scheme is being accounted for under Section 28 of FRS 102, with the annually calculated surplus or deficit on the funding of the Scheme shown in the financial statements as an unrestricted fund, which is added to or deducted from unrestricted funds in the balance sheet. The trustees of the Scheme believe that the Scheme currently meets the minimum funding requirements. The assets of the Scheme are held completely independently from the Institution.

Net interest on the net defined benefit pension scheme asset is recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the year by the discount rate. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The asset and expense related to the Scheme are allocated entirely to the unrestricted ongoing activities of the Group.

Holiday Pay Accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Foreign currency

Transactions in foreign currencies are recognised at the rate of exchange at the date of the transaction. Any exchange differences are recognised through the Statement of Financial Activities. Foreign exchange monetary assets and liabilities are recognised at the rate of exchange ruling at the balance sheet date.

Taxation

The Institution of Civil Engineers is a registered charity and accordingly is exempt from taxation on its charitable activities which fall within the scope of Part 11 of the Corporation Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992. No tax liability, current or deferred, arose in respect of the charity during the year.

Leases

Payments made under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

Fixed asset investments

Fixed asset investments are included at market value at the balance sheet date. Any gain/(loss) on revaluation is credited/(charged) to the statement of financial activities.

Group investments

Investments in subsidiary companies are included at cost less any provision for impairment.

Tangible fixed assets

Freehold properties are capitalised at historical cost. Capital items having a cost of less than £5k are written off in the year in which the expenditure is incurred. The values of the buildings are informally monitored by the trustees on a regular basis in order to identify any permanent diminution in value which, where applicable, is charged to the statement of financial activities. Depreciation is charged on freehold refurbishment costs to write off the cost over the anticipated economic life.

No depreciation is charged on the assets under construction until they are brought into service.

The annual rates of depreciation used to write off the cost of tangible fixed assets in equal instalments over their expected useful lives are as follows:

Freehold property	2% per annum
Improvements to freehold property	2.5% to 10% per annum
Computer equipment	20% per annum
Furniture, fixtures and equipment	5% to 20% per annum

Intangible Assets

Software acquired from third parties and capitalised at historical cost. Capital items having a cost of less than £5k are written off in the year in which the expenditure is incurred. Amortisation is charged to write off the cost over the anticipated economic life. No amortisation is charged on the software until the asset is brought into service. The annual rate of depreciation used to write off the cost of intangible assets in equal instalments over their expected useful lives is 14% to 20% per annum.

Heritage Assets

The Institution holds a collection of heritage assets relating to the history of the Institution itself and the wider history of civil engineering. The collection is in three main categories:

- Printed works: The Library contains over 140,000 titles. In addition, the collection includes manuscripts, original drawings, engravings and photographs of or by eminent civil engineers. This collection was designated as being of 'national significance' by the MLA (now Arts Council England) in 2009.
- Pictures: The Institution displays the world's finest collection of engineering portraits and other engineering related subjects, over 250 in number.
- Other artefacts: This collection of approximately 200 items includes fine furniture, decorative art and silver, mostly donated by distinguished past members, and with a civil engineering association. We also act as custodians for the Smeatonian Society of Civil Engineers small collection.

The printed works, pictures and other artefacts were valued for insurance purposes by item by L&J Gull, a respected valuer in November 2017 and are included on the Balance Sheet, at the values shown in Note 13. Trustees consider that the above methods of valuation constitute appropriate and relevant bases for valuation.

Acquisitions to all these collections are made by purchase or donation. Purchases are recorded at cost and donations are recorded at an appropriate current value where available at the time of acquisition. The cost of obtaining an annual valuation outweighs the value of any resultant benefit. The Institution holds and retains these assets as a long term policy for use for its charitable purposes and does not therefore intend to dispose of such assets.

Any changes in value of the heritage assets capitalised will be (charged)/credited to the recognised gains and losses (as appropriate) within the statement of financial activities. Such assets are not depreciated as they are deemed to have indeterminate lives. Expenditure which is required to preserve or prevent further deterioration of individual collection items is recognised in the statement of financial activities when it is incurred.

Those assets stored in the Institution's archive or in display cabinets comply with BS 5454, "Recommendations for the storage and exhibition of archival documents". Among other things, it specifies temperature and humidity ranges for document storage, shelving schemes, and materials for document containers. The archive is protected by a gas fire suppression system.

Collections are managed and recorded in discrete databases and to the prevailing standard (UDC system for cataloguing of books and ISAD for the archive items).

The collection is accessible to the public on request with most of the pictures on display throughout the building.

Stocks

Stocks are valued at the lower of cost and net realisable value. Provision is made for obsolete, slow-moving or defective items where appropriate.

Financial instruments

Financial instruments are recognised in the Group's balance sheet when it becomes party to the contractual provisions of the instrument. Financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and liability simultaneously.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price. Such assets are subsequently carried at the amortised cost using the effective interest method, less impairment

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, with subsequent changes in fair value recognised in the SOFA, except that investments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the established cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of financial activities.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Trade payables and obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These are classified as current liabilities if payment is due within one year or less. If not, these are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as detailed below.

Useful economic lives of tangible and intangible fixed assets

The annual depreciation and amortisation charge for fixed assets is sensitive to changes in estimated useful economic lives of the assets. The useful economic lives are re-assessed annually and rare amended where necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Define benefit pension scheme asset

The determination of the assumptions used in calculating the defined benefit pension scheme asset is the responsibility of the Trustees. The assumptions are set with regard to advice given by the scheme actuary.

Allocation of support costs

Judgement is exercised in determining the appropriate basis to use for each category of support cost when apportioning those costs to the activities within raising funds and charitable activities. Details of the method of apportionment are included within note 6d.

Notes to the financial statements

For the year ended 31 December 2018

1. Income from donations and legacies

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Legacies	123	–	123	942
Other donations	15	843	858	704
Group total	138	843	981	1,646
Gift Aid donation from Thomas Telford Limited	4,557	–	4,557	3,628
Charity total	4,695	843	5,538	5,274

Contingent Asset – Hewson Legacy

ICE is a co-beneficiary in the estate of a Mr RWJ Hewson. Interim distributions were received of £123k in 2018 (2017: £942k). There are uncertainties as to the value of the estate in certain overseas jurisdictions, as well as the costs and process of administration to wind up the estate. Accordingly, as the amount and timing of any remaining distributions is uncertain, no additional income has been included in the 2018 financial statements.

2. Income from charitable activities

	Qualification £'000	Knowledge & Professionalism £'000	Informing Opinion £'000	Total 2018 £'000	Total 2017 £'000
Annual subscriptions	13,263	–	–	13,263	12,880
Examinations and other training fees	1,466	–	–	1,466	1,324
Other income	995	963	226	2,184	1,729
	15,724	963	226	16,913	15,933

Geographical analysis of annual subscriptions:

United Kingdom	10,744	10,475
Rest of the World	2,519	2,405
	13,263	12,880

3. Trading activities

Thomas Telford Limited (“TTL”), a company incorporated in the United Kingdom (company number 02556636), is a wholly-owned trading subsidiary of the charity and contributed £4.6m of its profits to the charity by Gift Aid. The principal activities of TTL are the publication of learned society books and quality journals, the organisation of courses, provision of contracts and ancillary services, provision of meeting facilities and ancillary services, and the placement of engineers in both permanent and temporary positions through a job board.

The charity’s trading relates to the supply of conference facilities for the Institution and external bodies. The charity also makes a rental charge to its trading subsidiary for the use of part of the freehold premises at One Great George Street.

All trading income was unrestricted in both 2018 and 2017.

3a. Income from other trading activities

The main classes of business and their contribution to turnover and net income are:

	Turnover 2018 £'000	Turnover 2017 £'000	Trading result 2018 £'000	Trading result 2017 £'000
Publishing	10,477	9,003	4,054	3,357
Catering and room hire	7,473	7,000	374	120
Recruitment and training	1,219	1,166	129	151
Conferences and events	1,898	2,368	(503)	15
	21,067	19,537	4,054	3,643
Less: intragroup trading	(3,754)	(3,218)	–	–
	17,313	16,319	4,054	3,643
The geographical markets supplied are as follows:				
United Kingdom	13,259	13,467		
Rest of the World	4,054	2,852		
	17,313	16,319		

3b. Cost of raising funds

	Direct costs 2018 £'000	Regional costs 2018 £'000	Support costs 2018 £'000	Total 2018 £'000	Total 2017 £'000
Fundraising activities	160	–	–	160	172
Trading activities	12,157	424	678	13,259	12,677
Investment management costs	141	–	–	141	141
	12,458	424	678	13,560	12,677

3c. Group trading activities

	ICE 2018 £'000	TTL 2018 £'000	Inter entity adjustment 2018 £'000	Total 2018 £'000	Total 2017 £'000
Turnover	1,898	19,169	(3,754)	17,313	16,319
Cost of sales and administrative expenses	(2,405)	(14,608)	3,754	(13,259)	(12,676)
Profit on ordinary activities before interest	(507)	4,561	–	4,054	3,643
Interest (payable) receivable	(14)	14	–	–	1
Interest receivable (payable)	18	(18)	–	–	–
Net result	(503)	4,557	–	4,054	3,644

4. Investment income and interest

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Dividends from investments		267	94	361
Interest income		27	3	30
		294	97	391
				381

5. Other income

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Collaboration agreement BRE Global Ltd	11	–	11	11
Net interest on defined benefit pension scheme asset	100	–	100	–
	111	–	111	11

6. Expenditure on charitable activities

	Direct costs £'000	Regional direct costs £'000	Grant funded activities £'000	Support costs £'000	Total 2018 £'000	Total 2017 £'000
Qualification	4,825	2,984	957	4,766	13,532	11,977
Knowledge & Professionalism	2,807	1,126	166	1,905	6,004	5,081
Informing Opinion	1,777	524	41	860	3,202	2,831
	9,409	4,634	1,164	7,531	22,738	19,989

6a. Charitable direct costs

	Staff costs £'000	Other costs £'000	Total 2018 £'000	Total 2017 £'000
Qualification	3,263	1,562	4,825	4,329
Knowledge & Professionalism	1,207	1,600	2,807	2,279
Informing Opinion	735	1,042	1,777	1,535
	5,205	4,204	9,409	8,143

6b. Regional costs

A significant part of ICE's activities are carried out in the 12 UK Regions and in 65 countries where ICE representatives are based. The income attributable to, and costs expended by the UK and international regions directly are summarised below.

Region	Membership subscriptions £'000	Other income £'000	Total income £'000	Total expenditure £'000	Contribution/ region £'000	Contribution/ member * £
East Midlands	526	74	600	192	408	151
East of England	859	79	938	162	776	175
London	1,566	382	1,948	343	1,605	208
North East	322	68	390	196	194	118
North West	1,027	142	1,169	226	943	184
Northern Ireland	299	180	479	374	105	74
Scotland	1,314	219	1,533	414	1,119	176
South East	1,781	191	1,972	235	1,737	190
South West	1,044	164	1,208	331	877	161
Wales	540	118	658	301	357	128
West Midlands	768	157	925	204	721	185
Yorks & Humber	698	92	790	170	620	175
UK Regional support	–	–	–	126	(126)	–
	10,744	1,866	12,610	3,274	9,336	172
Europe	270	13	283	45	238	148
Hong Kong	1,108	222	1,330	764	566	98
Asia Pacific	679	455	1,134	278	856	203
Middle East, Africa & Americas	462	20	482	271	211	70
International Regional Support	–	–	–	426	(426)	–
	2,519	710	3,229	1,784	1,445	99
	13,263	2,576	15,839	5,058	10,781	157

* Contribution per member excludes student members.

The contribution per region represents the subscriptions, event and other income attributable to members in the respective region, less the direct costs of individual regional support teams and events. It does not include any allocation of centrally managed activities.

6c. Grant funded activities

	Awards & grants £'000	Other costs £'000	2018 £'000	2017 £'000
Into Civil Engineering Fund	63	2	65	49
Research and Development Enabling Fund	125	–	125	129
Queen's Jubilee Scholarship Trust	794	98	892	846
Shaping the World	–	41	41	97
Trust Funds	37	4	41	61
Total	1,019	145	1,164	1,182
2017 total	994	188		

The number of individuals and organisations who received awards, prizes and scholarships:

	2018 No	2017 No
Into Civil Engineering – individuals	15	11
Research and Development Enabling Fund – individuals	1	2
Research and Development Enabling Fund – organisations	5	13
Queen's Jubilee Scholarship Trust – individuals	486	443
Trust Funds – individual awards and prizes	91	95
	598	564

Details of grants over £10k (representing 100% of awards from the Research and Development Enabling Fund) included in Grant Funded Activities are as follows:

Organisation	Purpose	2018 £'000	2017 £'000
Building People Skills 2015 CIC	Improving diversity, maximising social value and increasing competent labour across the built environment	15	–
ImpaQt Consulting Ltd	Developing approach for SDG impact against 2030 targets	30	–
British Tunnelling Society	The tunnelling challenges of Hyperloop	25	–
Commonwealth Engineers Council	Infrastructure reporting as an enabling and monitoring platform for delivering the UN SDGs	25	–
The Steel Construction Institute	Guidance on the design and execution of high strength steel structures	20	–
M Battman PyTerra Ltd	CDM 2015 – 3 Years On Assess the viability of machine learning to automate the storage and release of floodwater	10	–
Imperial College London	Critical cyclic loading experiments and analysis for wind turbine foundations in chalk. "Small scale ICP pile testing in chalk"	–	18
Bedi Consulting Ltd	Simulation of fracture propagation in fibre reinforced sprayed concrete lined tunnels using FEMDEM	–	25
Arup	The Second Golden Age: Preparing Civil Engineering to thrive in a world of Smart Cities	–	24
Loughborough University	Occupational Ill-Health of Construction Workers - How much is it costing the industry?	–	26
Brunel University London	Stainless steel for resilient and sustainable infrastructure	–	16

6d. Support costs

	Premises costs £'000	IT costs £'000	Charity management costs £'000	Total 2018 £'000	Total 2017 £'000
Qualification	949	1,505	2,312	4,766	4,145
Knowledge & Professionalism	358	568	979	1,905	1,539
Informing Opinion	167	264	429	860	742
	1,474	2,337	3,720	7,531	6,426
Trading activities	134	214	330	678	787
	1,608	2,551	4,050	8,209	7,213

The methods used to apportion overheads are as follows:

		2018 £'000	2017 £'000
Charity management costs			
Finance	Headcount	1,265	1,189
Pension overhead	Employer's NI	119	161
Human Resources	Headcount	465	445
Office of the Director General	Headcount	815	534
Council	Headcount	309	183
Depreciation and repairs	Estimated usage	1,077	1,053
		4,050	3,585
Premises costs	Headcount	1,608	1,719
IT costs	Headcount	2,551	1,929
		8,209	7,213

7. Net income / (expenditure)

This is stated after charging:

	Group 2018 £'000	Group 2017 £'000
Depreciation of tangible fixed assets	1,169	1,907
Amortisation of intangible assets	195	137
Loss on disposal of tangible fixed assets	2	–
Auditors' remuneration		
- Audit services	34	33
- Non-audit services	10	9
Investment management fees	142	141
Amounts payable under operating leases		
- Equipment	21	10
- Property	192	153

8. Staff costs

	Group 2018 £'000	Group 2017 £'000
Wages and salaries	13,638	12,383
Social security costs	1,396	1,282
Pension costs	765	665
Temporary staff, recruitment and training	1,201	909
	17,000	15,239

The average number of UK employees of the group during the year was as follows:

	Group 2018 £'000	Group 2017 £'000
Charitable activities	238	223
Trading activities	118	113
	356	336

The number of employees paid by the Group whose emoluments, excluding employer's pension contributions, exceeded £60,000 are analysed as follows:

	Group 2018 No	Group 2017 No
£60,000 - £70,000	19	17
£70,001 - £80,000	4	7
£80,001 - £90,000	6	6
£90,001 - £100,000	3	3
£110,001 - £120,000	2	1
£120,001 - £130,000	2	1
£130,001 - £140,000	—	1
£170,001 - £180,000	1	1
£210,001 - £220,000	1	1

Pension benefits are accruing for nine employees as a result of the salary link in the defined benefit scheme for those in the bandings above £60k (2017: 11). The scheme closed to future accrual on 30 November 2010. Pension payments in respect of the relevant employees to the defined contribution scheme totalled £226k (2017: £212k).

During 2018, £76k (2017: £21k) was paid out as redundancy or termination payments.

Key management personnel of eight staff, one of whom resigned during the year (2017: seven, two of whom resigned), detailed within the Reference and Administration section on page 4, were paid benefits of £1,037k in the year (2017: £917k).

9. Trustee remuneration

None of the Trustees receive any remuneration for their services as a trustee.

Details of travel and subsistence expenses reimbursed to or paid on behalf of Trustees, including overseas Presidential tours and participation in membership and learned society activity are summarised below.

	2018 £'000	2017 £'000	2018 No	2017 No
Expenses reimbursed to or paid on behalf of Trustees	153	193	37	47

Trustee liability insurance has been purchased by the charity at a cost of £6k (2017: £6k).

10. Related parties

The following payments, which have been made in accordance with Charity Commission guidance (CC11), have been made to Trustees or parties related to them in respect of services to ICE.

Trustee	Recipient	Nature of payment	2018 £	2017 £
D Bower	Major Projects Association (Executive Director)	Major Projects Association Annual Membership Fee	1,120	1,100
P Chan	Patrick W. T. Chan (Management Consultant)	Consultancy work provided to ICE HK Ltd	—	38,729
T Warren	Constructing Excellence (NZ) Ltd (Director)	NEC User Group	—	7,511

Trustee	Payee	Nature of income	2018 £	2017 £
D Bower	Major Projects Association (Executive Director)	Rent received from Major Projects Association	13,200	12,000

Trustees donated in aggregate £278 (2017: £386) to ICE in the year.

11. Intangible assets

	Total 2018 £'000
Cost	
At 1 January	1,554
Additions	178
Disposals	–
At 31 December 2018	1,732
Amortisation	
At 1 January	757
Charge for the year	195
On disposals	–
At 31 December 2018	952
Net book value at 31 December 2018	780
Net book value at 31 December 2017	797

All intangible assets relate to computer software and licensed products.

12. Tangible fixed assets

Group	Freehold property £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Total 2018 £'000
Cost/valuation				
At 1 January	36,893	2,441	5,292	44,626
Additions	131	251	238	620
Disposals	–	(120)	(349)	(469)
At 31 December	37,024	2,572	5,181	44,777
Depreciation				
At 1 January	10,069	1,997	3,186	15,252
Charge for the year	697	148	324	1,169
On disposals	–	(118)	(349)	(467)
At 31 December	10,766	2,027	3,161	15,954
Net book value at 31 December 2018	26,258	545	2,020	28,823
Net book value at 31 December 2017	26,824	444	2,106	29,374

All Group assets are used in support of charitable or trading activities. Freehold property includes two assets. The Institution's headquarters at One Great George Street, which is shown at historical cost of £17.5m. In 2015 and 2016, a major refurbishment project was carried out on the building at a total cost of £5.6m. There is no reasonable likelihood that it will be considered for sale in the foreseeable future.

The Trustees consider that the market values of the respective properties are not less than the carrying values included above.

Charity	Freehold property £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Total 2018 £'000
Cost/valuation				
At 1 January	36,893	2,441	4,642	43,976
Additions	131	251	178	560
Disposals	–	(120)	(349)	(469)
At 31 December	37,024	2,572	4,471	44,067
Depreciation				
At 1 January	10,067	1,997	2,711	14,775
Charge for the year	699	148	271	1,118
On disposals	–	(118)	(349)	(467)
At 31 December	10,766	2,027	2,633	15,426
Net book value at 31 December 2018	26,258	545	1,838	28,641
Net book value at 31 December 2017	26,826	444	1,931	29,201

13. Heritage assets

Group and charity	2018 £'000	Restated 2017 £'000	2016 £'000	2015 £'000	2014 £'000
Valuation at 1 January	15,193	7,420	7,419	7,419	7,419
Additions	5	–	1	–	–
Donations	2	4	–	–	–
Revaluation	–	7,769	–	–	–
Valuation at 31 December	15,200	15,193	7,420	7,419	7,419
Printed works	6,947	6,947	2,503	2,503	2,503
Pictures	3,927	3,927	2,734	2,734	2,734
Other artefacts	4,326	4,319	2,183	2,182	2,182
	15,200	15,193	7,420	7,419	7,419

The printed works, pictures and other artefacts were revalued in November 2017 by L&J Gull, resulting in a gain on revaluation of £7.8m. The 2017 valuation includes books and printed works dated post-1840, an element not included in prior years. The 2017 valuation for this element of the collection stands at £4.8m. One asset, a Tompion Clock, was valued by Bonhams at £1m and is included within other artefacts. A prior year adjustment has been necessary to reflect the value which was not included in the 2017 accounts. Details of the effect of the restatement are shown in note 25 to the accounts.

The Trustees consider there to be no material impairment on the present market values/replacement values compared to those stated. Approximately £17k per annum is spent on conservation of the Heritage Assets.

Other than those movements shown above, there have been no other additions or disposals.

14. Fixed asset investments

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Listed investments	19,072	20,595	19,072	20,595
Investments in subsidiaries	–	–	301	301
	19,072	20,595	19,373	20,896
Investments in subsidiaries comprise:				
Investments at cost in subsidiaries	–	–	1	1
Long term loans to subsidiaries	–	–	300	300
	–	–	301	301

Listed investments

	Charity 2018 £'000	Charity 2017 £'000
Listed investments		
Market value at 1 January	20,420	18,562
Acquisitions at cost	7,716	4,117
Disposals at book value (proceeds: £7,966k, realised gain: £9k)	(7,957)	(3,624)
Net unrealised investment (losses) gains	(1,198)	1,365
Market value at 31 December	18,981	20,420
Cash held by investment managers for reinvestment	91	175
	19,072	20,595
Historical cost at 31 December	17,434	16,780
Cumulative unrealised investment gains	1,546	3,640

An analysis of the market value of quoted investments at 31 December 2018 is as follows:

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2018 £'000
Fixed interest	2,471	584	162	3,217
UK equities	3,003	687	197	3,887
Global equities	6,399	1,471	420	8,290
Alternatives	1,273	294	84	1,651
Property	1,510	327	99	1,936
Cash	61	26	4	91
	14,717	3,389	966	19,072

Investments in subsidiaries

At 31 December 2018 the charity owned the entire issued share capital of 502 ordinary shares of £1 each in TTL. The trading results are set out in note 3. At 31 December 2018 the aggregate amount of TTL's assets, liabilities, share capital and reserves was:

	2018 £'000	2017 £'000
Fixed assets	962	970
Current assets	4,072	3,297
Current and non-current liabilities	(5,018)	(4,251)
	16	16

Included with non-current liabilities above is a long-term loan of £300k from the Charity to TTL. The loan is repayable on one year's notice and is secured by debenture over the assets of the subsidiary. The interest payable to the Charity is calculated quarterly at the daily bank rate ruling during the quarter or 6% whichever is greater.

At 31 December 2018, the charity owned the entire share capital of 2 ordinary shares of HKD\$1 each in The Institution of Civil Engineers (Hong Kong) Limited. A summary of their results for the year ended 31 December 2018 and balance sheet as at 31 December 2018 is shown below.

	2018 £'000	2017 £'000
Profit and Loss:		
Income	655	523
Expenditure	(595)	(476)
Profit before tax	60	47
Income tax charge	(6)	(7)
Profit for the year	54	40

Balance Sheet:	2018 £'000	2017 £'000
Fixed assets	5	2
Current assets	180	132
Current liabilities	(11)	(14)
	174	120
Retained earnings	174	120

15. Stocks

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Raw materials and consumables	45	34	–	–
Finished goods and good for resale	323	340	–	–
	368	374	–	–

16. Debtors

Amounts falling due within one year

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Trade debtors	3,210	2,448	871	798
Amount due from subsidiary undertaking	–	–	241	–
Other debtors	312	290	308	271
Prepayments and accrued income	675	724	538	593
	4,197	3,462	1,958	1,662

Amounts falling due after one year

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Due from sale of Investment (BRE Global Ltd)	29	58	29	58

17. Creditors: amounts falling due within one year

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Trade creditors	1,560	1,088	1,048	599
Amounts due to subsidiary undertakings	–	–	–	408
Taxation and social security	655	625	655	625
Other creditors	417	587	327	483
Accruals	1,392	1,135	855	648
Deferred income	6,690	5,922	3,434	3,097
Loan falling due within one year	419	411	419	411
	11,133	9,768	6,738	6,271

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Deferred Income				
Balance at 1 January	5,922	5,320	3,097	2,762
Amounts released from previous years	(5,922)	(5,320)	(3,097)	(2,762)
Resources deferred in the year	6,690	5,922	3,434	3,097
Balance at 31 December	6,690	5,922	3,434	3,097

Deferred income includes membership subscriptions and magazine subscriptions received in advance.

18. Creditors: amounts falling due after one year

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Deferred income	213	179	–	–
Loan falling due after one year	1,067	1,485	1,067	1,485
	1,280	1,664	1,067	1,485

The loan is repayable as follows:

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Within one year	419	411	419	411
Between two and five years	1,067	1,485	1,067	1,485
	1,486	1,896	1,486	1,896

In December 2010, Trustees, approved a loan for £4.0m with HSBC Bank plc for the refurbishment of Eight Storey's Gate. The term of the loan is eleven years to be repaid in equal monthly instalments until May 2022. Interest is incurred at 2.25% over the Bank of England Sterling Base Rate. Repayments of £38k inclusive of interest commenced in June 2012. The loan is secured by a first charge on the Institution's One Great George Street property and is fully drawn.

19. Operating lease commitments

Minimum lease payments under non-cancellable operating leases for photocopiers and office rental which expire:

Group	Other 2018 £'000	Other 2017 £'000	Land and buildings 2018 £'000	Land and buildings 2017 £'000
Within one year	10	10	119	70
Between one and two years	–	–	18	18
Between two and five years	–	–	48	65
	10	10	185	153

At 31 December 2018 the company had total commitments under operating leases of £195k (2017: £163k).

20. Contingent liabilities

The Institution of Civil Engineers had no contingent liabilities at 31 December 2018 or 31 December 2017.

21. Commitments

Capital commitments by the Group, contracted or authorised at 31 December 2018 were £99k (2017: £62k).

22. Pension Schemes

Defined benefit pension schemes

Benefits under the defined benefit pension scheme, which closed to new members in February 2002, are based on employees' final remuneration and length of service. The scheme closed to future service accrual on 30 November 2010.

The pension expense charged to the statement of financial activities makes no allowance for actuarial gains and losses during the year. Actuarial gains and losses are recognised separately in the statement of financial activities in the year in which they occur.

	2018 £'000	2017 £'000
Components of pension cost		
Net interest (income) cost	(102)	41
Administration cost	2	2
Total pension (income) charge recognised in the statement of financial activities	(100)	43
Actuarial losses (gains) immediately recognised	340	(5,184)
Amounts recognised in the balance sheet		
Present value of funded obligation	(43,363)	(46,293)
Fair value of plan assets	47,529	50,199
Pension scheme asset	4,166	3,906
Change in benefit obligation		
Benefit obligation at 1 January	46,293	48,732
Interest cost	1,114	1,345
Actuarial (gains) losses	(2,644)	1,643
Benefits paid	(1,640)	(1,381)
Experience gain on liabilities	(77)	(2,295)
Changes to demographic assumptions	317	(1,751)
Benefit obligation at 31 December	43,363	46,293
Change in plan assets		
Fair value of plan assets at 1 January	50,199	46,997
Interest on assets	1,216	1,304
Actuarial (losses) gains	(2,744)	2,781
Employer contributions	500	500
Administration costs	(2)	(2)
Benefits paid	(1,640)	(1,381)
Fair value of plan assets at 31 December	47,529	50,199
Actual return on plan assets	(1,528)	4,085
Funded status and net amount recognised	4,166	3,906

The most recent triennial actuarial valuation as at 31 December 2016 showed a deficit of £2.5m.

	2018 £'000	2017 £'000
Fund assets		
The weighted average asset allocation at the year-end was as follows:		
Equities	20.3%	33.0%
Corporate Bonds	8.1%	–
Govt Bonds	–	43.6%
Diversified Growth	23.6%	23.0%
Liability-Driven Investment	21.1%	–
Cash	26.9%	0.4%
	100.0%	100.0%

Principal Actuarial Assumptions

	2018	2017
Discount rate	2.85%	2.45%
Inflation (RPI)	3.45%	3.40%
Inflation (CPI)	2.65%	2.60%
Salary increases	3.15%	3.10%
Pension increases (RPI capped at 5%)	3.30%	3.30%
Pension increases (RPI capped at 5% with 3% floor)	3.70%	3.60%
Mortality table	S2NA series	
Mortality adjustments	85% loading to table	
Mortality improvements	CMI 2017 (1.25%pa)	CMI 2016 (1.25%pa)
Commutation	20% of total pension	
Life expectancy at age 65 of male aged 45	24.7	24.9
Life expectancy at age 65 of male aged 65	23.3	23.5

Five year history

	2018 £'000	2017 £'000	2016 £'000	2015 £'000	2014 £'000
Benefit obligation at 31 December	43,363	46,293	48,732	39,488	41,727
Fair value of plan assets at 31 December	47,529	50,199	46,997	40,550	40,778
Asset (deficit)	4,166	3,906	(1,735)	1,062	(949)

Contributions

The Institution contributed £0.5m to the scheme in the year to 31 December 2018. Contributions to be paid to the scheme during the annual period beginning after the reporting period are expected to be £0.5m. In addition, administrative and other expenses of the Scheme and the Pension Protection Fund levy are payable separately by the Institution.

Group Personal Pension

The GPP was introduced for employees on 1 October 2010 with members of the defined contribution scheme joining on this date and members of the defined benefit scheme joining on 1 December following closure to future accrual of that scheme. The pension cost for this scheme for 2018 was £765k (2017: £665k).

23. Analysis of net assets between funds

Group	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2018 £'000
Fixed assets	–	44,803	–	–	44,803
Investments	14,349	368	3,389	966	19,072
Current assets	7,549	240	1,167	–	8,956
Non-current assets	29	–	–	–	29
Creditors: amounts falling due within one year	(10,692)	–	(441)	–	(11,133)
Creditors: amounts falling due after one year	(1,280)	–	–	–	(1,280)
Defined benefit pension scheme asset	–	4,166	–	–	4,166
	9,955	49,577	4,115	966	64,613

Charity	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2018 £'000
Fixed assets	–	43,841	–	–	43,841
Investments	14,650	368	3,389	966	19,373
Current assets	3,347	240	1,167	–	4,754
Non-current assets	29	–	–	–	29
Creditors: amounts falling due within one year	(6,057)	–	(441)	–	(6,498)
Creditors: amounts falling due after one year	(1,067)	–	–	–	(1,067)
Defined benefit pension scheme asset	–	4,166	–	–	4,166
	10,902	48,615	4,115	966	64,598

Comparative information for prior year:

Group	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2017 £'000
Fixed assets	44,247	774	343	–	45,364
Investments	14,886	398	4,285	1,026	20,595
Current assets	7,660	201	379	–	8,240
Non-current assets	58	–	–	–	58
Creditors: amounts falling due within one year	(9,697)	–	(71)	–	(9,768)
Creditors: amounts falling due after one year	(1,664)	–	–	–	(1,664)
Defined benefit pension scheme asset	3,906	–	–	–	3,906
	59,396	1,373	4,936	1,026	66,731

Charity	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2017 £'000
Fixed assets	43,277	774	343	–	44,394
Investments	15,187	398	4,285	1,026	20,896
Current assets	4,638	201	379	–	5,218
Non-current assets	58	–	–	–	58
Creditors: amounts falling due within one year	(6,200)	–	(71)	–	(6,271)
Creditors: amounts falling due after one year	(1,485)	–	–	–	(1,485)
Defined benefit pension scheme asset	3,906	–	–	–	3,906
	59,381	1,373	4,936	1,026	66,716

24. Reserves

Group:	Restated 1 January 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	31 December 2018 £'000
Unrestricted funds						
General fund	47,721	34,564	(35,064)	(36,371)	(895)	9,955
Designated funds						
Kenneth Watson Travel Award (Quest)	398	7	(16)	–	(21)	368
Shaping the World	201	–	–	39	–	240
Shaping the World – Capital	774	–	–	(774)	–	–
Tangible Fixed Assets fund	–	–	–	37,034	–	37,034
Revaluation reserve	7,769	–	–	–	–	7,769
Pension reserve	3,906	100	–	500	(340)	4,166
	60,769	34,671	(35,080)	428	(1,256)	59,532
Restricted funds						
Shaping the World	57	21	(41)	–	–	37
Shaping the World – Capital	343	85	–	(428)	–	–
Into Civil Engineering	172	221	(64)	–	–	329
Research and Development Enabling Fund	465	120	(125)	–	–	460
Innovation and Research Focus	28	–	–	–	–	28
Infrastructure Client Group	–	105	(35)	–	–	70
Queen's Jubilee Scholarship Trust (Quest)	3,128	455	(900)	–	(173)	2,510
Trust Funds	743	31	(53)	–	(40)	681
	4,936	1,038	(1,218)	(428)	(213)	4,115
Endowment funds						
Trust funds	1,026	–	–	–	(60)	966
	66,731	35,709	(36,298)	–	(1,529)	64,613

Charity:	Restated	Income	Expenditure	Transfers	Gains / (losses)	31
	1					December
	January	£'000	£'000	£'000	£'000	2018
	2018					£'000
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds						
General fund	47,706	23,724	(24,224)	(35,409)	(895)	10,902
Designated funds						
Kenneth Watson Travel Award (Quest)	398	7	(16)	–	(21)	368
Shaping the World	201	–	–	39	–	240
Shaping the World – Capital	774	–	–	(774)	–	–
Tangible Fixed Assets fund	–	–	–	36,072	–	36,072
Revaluation reserve	7,769	–	–	–	–	7,769
Pension reserve	3,906	100	–	500	(340)	4,166
	60,754	23,831	(24,240)	428	(1,256)	59,517
Restricted funds						
Shaping the World	57	21	(41)	–	–	37
Shaping the World – Capital	343	85	–	(428)	–	–
Into Civil Engineering	172	221	(64)	–	–	329
Research and Development Enabling Fund	465	120	(125)	–	–	460
Innovation and Research Focus	28	–	–	–	–	28
Infrastructure Client Group	–	105	(35)	–	–	70
Queen's Jubilee Scholarship Trust (Quest)	3,128	455	(900)	–	(173)	2,510
Trust Funds	743	31	(53)	–	(40)	681
	4,936	1,038	(1,218)	(428)	(213)	4,115
Endowment funds						
Trust funds	1,026	–	–	–	(60)	966
	66,716	24,869	(25,458)	–	(1,529)	64,598

Unrestricted funds

The general fund totalling £9,955k (2017: 47,721k) represents that element of the reserves of the charity which have not been designated for any specific purpose. Transfers from the general fund into the pension reserve during the year reflect employer contributions to the defined benefit pension scheme of £0.5m (2016: £0.5m).

Kenneth Watson Travel Award (Quest)

The Kenneth Watson Travel Award is part of the Quest awards for young engineering scholars. At current estimation, it will be able to continue to award grants for at least another 20 years.

Shaping the World

Shaping the World funding consists of two elements, with both designated and restricted funding: Shaping the World and the Shaping the World Capital Appeal. The non-capital element of both the designated and restricted funding is uncommitted against future expenditure.

The capital element of the funds refers to a major capital project conducted on One Great George Street between 2015 and 2016 and which was completed in October 2016. The designated and restricted funding element specifically refers to the costs incurred on the Infrastructure Learning Hub section of this project. As the money has been spent and the restrictions over the use of the money have been fulfilled, these balances have now been transferred to the tangible fixed assets fund.

The cost of the Infrastructure Learning Hub is significantly greater than the funding received to date. Future donations of approximately £190k, which do not yet meet the income recognition criteria set out in the accounting policies, are expected in 2019 and 2020 as a contribution towards the shortfall of the capital spend. These monies, when received, will be recognised in restricted funds and will subsequently be transferred to unrestricted funds.

Tangible fixed assets fund

The tangible fixed asset fund represents the net book value of the Group's intangible fixed assets, tangible fixed assets and heritage assets, less the amount carried in the revaluation reserve. The fund was created in the year and transfers to the fund represent the net book value of these assets at 31 December 2018, less the amount carried in the revaluation reserve.

The intangible and tangible fixed assets are essential to the ongoing work of the Group, as without them the Group's work would not be possible. As such their net book values should not be regarded as realisable in order to meet ongoing expenditure or contingencies.

Restricted funds

Into Civil Engineering

The purpose of the Into Civil Engineering fund is to award scholarships to young people living in Scotland studying civil engineering.

Research and Development Enabling

The Research and Development Enabling fund was formed to support research and development by engineers and organisations outside the research field, to enable them to obtain funds from other sources.

Innovation and Research Focus

Contributions to Innovation and Research Focus had been obtained from various organisations and used to produce a quarterly research newsletter which is distributed to all corporate members. No activity took place in 2018, with plans to review the contingents to be reviewed in 2019.

Infrastructure Client Group

The Infrastructure Client Group ("ICG") is a group made up of experts from a range of sectors which was formed to help support the implementation of the UK Government's *Infrastructure Cost Review Report 2010*. The ICE's support to this group was formalised during 2018. The fund represents monies received from members of the ICG as a contribution towards the activities coordinated by the Institution.

Queen's Jubilee Scholarship Trust

The purpose of the Queen's Jubilee Scholarship Trust (QUEST) is to award scholarships to civil engineering students, or travel awards to enable members to participate in voluntary work overseas or professional development grants to enable members in mid-career to acquire new skills or knowledge.

Endowment funds

Trust Funds

The Trust Funds comprise 41 separate funds created by trust deed at various times and their capital is permanent endowment. Prizes and awards for achievement in civil engineering are made from the investment income in accordance with the terms of each Trust Fund and accounted for within Restricted funds.

Comparative information for prior year:

Group:	1 January 2016 £'000	Income £'000	Expenditure £'000	Transfers £'000	Restated Gains / (losses) £'000	Restated 31 December 2017 £'000
Unrestricted funds						
General fund	45,172	33,491	(31,503)	(500)	1,061	47,721
Designated funds						
Kenneth Watson Travel Award (Quest)	390	7	(27)	–	28	398
Shaping the World	228	–	(27)	–	–	201
Shaping the World – Capital	834	–	(60)	–	–	774
Revaluation reserve	–	–	–	–	7,769	7,769
Pension reserve	(1,734)	–	(44)	500	5,184	3,906
	44,890	33,498	(31,661)	–	14,042	60,769
Restricted funds						
Shaping the World	74	36	(53)	–	–	57
Shaping the World – Capital	294	95	(46)	–	–	343
Into Civil Engineering	204	17	(49)	–	–	172
Research and Development Enabling Fund	471	123	(129)	–	–	465
Innovation and Research Focus	28	–	–	–	–	28
Queen's Jubilee Scholarship Trust (Quest)	3,284	490	(868)	–	222	3,128
Trust Funds	731	31	(72)	–	53	743
	5,086	792	(1,217)	–	275	4,936
Endowment funds						
Trust funds	955	–	–	–	71	1,026
	50,931	34,290	(32,878)	–	14,388	66,731

Charity:	1 January 2016 £'000	Income £'000	Expenditure £'000	Transfers £'000	Restated Gains/ (losses) £'000	Restated 31 December 2017 £'000
Unrestricted funds						
General fund	45,160	23,169	(21,184)	(500)	1,061	47,706
Designated funds						
Kenneth Watson Travel Award (Quest)	390	7	(27)	–	28	398
Shaping the World	228	–	(27)	–	–	201
Shaping the World – Capital	834	–	(60)	–	–	774
Revaluation reserve	–	–	–	–	7,769	7,769
Pension reserve	(1,734)	–	(44)	500	5,184	3,906
	44,878	23,176	(21,342)	–	14,042	60,754
Restricted funds						
Shaping the World	74	36	(53)	–	–	57
Shaping the World – Capital	294	95	(46)	–	–	343
Into Civil Engineering	204	17	(49)	–	–	172
Research and Development Enabling Fund	471	123	(129)	–	–	465
Innovation and Research Focus	28	–	–	–	–	28
Queen's Jubilee Scholarship Trust (Quest)	3,284	490	(868)	–	222	3,128
Trust Funds	731	31	(72)	–	53	743
	5,086	792	(1,217)	–	275	4,936
Endowment funds						
Trust funds	955	–	–	–	71	1,026
	50,919	23,968	(22,559)	–	14,388	66,716

25. Restatement of prior year comparatives

The effect of the changes resulting from the restatement of the revaluation of heritage assets is shown below.

Reconciliation of reported net movement in funds per statement of financial activities:

	As previously stated £'000	Effect of restatement £'000	Restated 2017 £'000
Income	34,290	–	34,290
Expenditure	(32,878)	–	(32,878)
Net gains on investments	1,435	–	1,435
Actuarial gains on defined benefit pension scheme	5,184	–	5,184
Gains on revaluation of heritage assets	6,769	1,000	7,769
Net movement in funds	14,800	1,000	15,800
Total funds brought forward	50,931	–	50,931
Total funds carried forward	65,731	1,000	66,731

Reconciliation of reported net assets:

	As previously stated £'000	Effect of restatement £'000	Restated 2017 £'000
Fixed assets			
Heritage assets	14,193	1,000	15,193
Total net assets	65,731	1,000	66,731
The funds of the charity			
Revaluation reserve	6,769	1,000	7,769
Total funds	65,731	1,000	66,731

All restatements are in respect to unrestricted funds.

26. Comparative Consolidated Statement of Financial Activities

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment Funds £'000	Restated Total 2017 £'000
Income from:					
Donations and legacies	1	949	697	–	1,646
Charitable activities					
Subscriptions and other income	2	15,933	–	–	15,933
Other trading activities	3a	16,319	–	–	16,319
Investments	4	286	95	–	381
Other	5	11	–	–	11
Total income		33,498	792	–	34,290
Expenditure on:					
Raising funds					
Fundraising		172	–	–	172
Trading activities	3b	12,677	–	–	12,677
Investment managers fees		105	35	–	140
Charitable activities					
Qualification	6	11,131	846	–	11,977
Knowledge and Professionalism	6	4,817	264	–	5,081
Informing Opinion	6	2,759	72	–	2,831
Total expenditure		31,661	1,217	–	32,878
Net gains on investments		1,089	275	71	1,435
Net income (expenditure)		2,926	(150)	71	2,847
Other recognised gains and losses					
Actuarial gains on defined benefit pension scheme		5,184	–	–	5,184
Gains on revaluation of heritage assets		7,769	–	–	7,769
Net movement in funds		15,879	(150)	71	15,800
Reconciliation of funds:					
Total funds brought forward		44,890	5,086	955	50,931
Total funds carried forward		60,769	4,936	1,026	66,731

27. Comparative Charity Statement of Financial Activities

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Restated Total 2017 £'000
Income from:					
Donations and legacies	1	4,577	697	–	5,274
Charitable activities					
Subscriptions and other income	2	15,933	–	–	15,933
Other trading activities	3a	2,369	–	–	2,369
Investments	4	286	95	–	381
Other	5	11	–	–	11
Total income		23,176	792	–	23,968
Expenditure on:					
Raising funds					
Fundraising		177	–	–	177
Trading activities	3b	2,353	–	–	2,353
Investment managers fees		105	35	–	140
Charitable activities					
Qualification	6	11,131	846	–	11,977
Knowledge and Professionalism	6	4,817	264	–	5,081
Informing Opinion	6	2,759	72	–	2,831
Total expenditure		21,342	1,217	–	22,559
Net gains on investments		1,089	275	71	1,435
Net income (expenditure)		2,923	(150)	71	2,844
Other recognised gains and losses					
Actuarial gains on defined benefit pension scheme		5,184	–	–	5,184
Gains on revaluation of heritage assets		7,769	–	–	7,769
Net movement in funds		15,876	(150)	71	15,797
Reconciliation of funds:					
Total funds brought forward		44,878	5,086	955	50,919
Total funds carried forward		60,754	4,936	1,026	66,716

28. Funds held on behalf of others

The Institution provides administrative services to fourteen Specialist Knowledge Societies, closely affiliated membership bodies with interests in specialist areas of civil engineering. The Institution is a custodian trustee of funds for nine of these Societies (2017: nine), which have trustees separate and independent from the Institution, but where the Institution holds the Society's funds on their behalf.

At 31 December 2018 the funds held by the Institution had a combined balance of £215k (2017: £195k).