



Annual Report and Accounts 2022

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President's Foreword

2020 and 2021 were two of the more challenging years our Institution has faced and which could have had a significant impact on our ability to deliver our charitable aims.

Through careful handling of the pandemic, we entered 2022 with a renewed sense of purpose. But a new year also brought a new dilemma: how do we best operate in the 'new normal' world of remote working and virtual meetings?

I am pleased to report that the Institution rose to the challenge. We continued to grow membership numbers across all grades, eventually surpassing pre-pandemic levels. Importantly, in the last year we grew the number of professionally qualified members by around 2,000, assuring society that its critical infrastructure is in safe hands.

One of our aims is to encourage more of the infrastructure workforce to recognise the value of a professional qualification. The introduction of 'Chartered Infrastructure Engineer' – our first new protected title in nearly 100 years – is a clear opportunity to provide a professional home for more people engaged in delivering infrastructure around the world. This is a significant milestone as we seek to broaden our approach to tackling the climate emergency and delivering on the UN Sustainable Development Goals.

Indeed, the UN SDGs are a key underpin of our current strategy to demonstrate the role civil engineers and technicians can play in creating a more resilient world. Our work continues to position infrastructure at the forefront of national and international policy agendas, helping decision makers around the world make better choices throughout the infrastructure lifecycle. Through the Enabling Better Infrastructure programme, we are building a collaborative network of experts to transform how governments plan and prioritise infrastructure development. We are growing our reputation for credible, informed advice and are increasingly the go-to organisation for those who lead on infrastructure policy and strategy.

Our support business, Thomas Telford Limited, built on its notable successes in 2021 with its highest financial contribution to the Institution to date. The New Engineering Contract was again a primary driver. Global users of the contract have welcomed the introduction of secondary Option X29, which will help reduce the climate impact of infrastructure at every stage of the asset lifecycle.

Our support of member competence went from strength to strength in 2022 with the launch of the ICE's new Knowledge Hub, 50 new knowledge networks, and industry-leading guidance and standards on low-carbon infrastructure.

Through collaboration with other global engineering bodies, we have grown the reach of our networks. I am pleased to see the ICE continuing to build our international links and facilitate conversations about how the industry worldwide can be more efficient, resilient, and forward-thinking.

Last year, my predecessor Ed McCann suggested that rather than a return to normal, 2022 should herald a 'new normal' of greater collaboration with members around the world. I believe we are making great strides towards this, and I am confident we will continue to build on these successes in 2023 and beyond.

I would like to take this opportunity to thank Ed, the Trustee Board, Council, and, most importantly, our members, for all their hard work over the past 12 months. I hope every member can take enormous pride in our achievements, and I look forward to working with you in the coming year to build on them. Together we can deliver the engineering knowledge, capacity, and infrastructure systems that will enable both people and planet to thrive.



Keith Howells
ICE President 2022 – 2023

Reference and administrative details

Trustees

<i>President</i>	Keith Howells
<i>Senior Vice President</i>	Anusha Shah
<i>Vice President, Carbon & Climate</i>	Prof James Hall
<i>Vice President, Learning Society</i>	David Porter *
<i>Trustee, Professional Conduct & Ethics</i>	Richard Bayfield
<i>Trustee, Membership Engagement & Relationship with Council</i>	Ed Bingham *
<i>Trustee, Membership</i>	Matt Colton *
<i>Trustee, International</i>	Dr Sabih Khisaf
<i>Trustee, UK Regions</i>	Paula McMahan
<i>Trustee, Policy & External Affairs</i>	Jonathan Spruce
<i>Trustee, Communications</i>	Liz Waugh
<i>Trustee, Finance, Assurance & Risk</i>	Julie Wood *

* Appointed November 2022

The following served as Trustees until their retirement in November 2022:

<i>Past President</i>	Edward McCann
<i>Vice President, Learning Society</i>	Richard Threlfall
<i>Trustee, Finance, Assurance & Risk</i>	Andrew Alder
<i>Trustee, Membership Engagement & Relationship with Council</i>	Julia Bregulla

Management team

<i>Director General and Secretary</i>	Dr Janet Young (from 24 January 2023) Nick Baveystock (until 24 January 2023)
<i>Deputy Director General and Managing Director Thomas Telford Limited</i>	Chris Gibson
<i>Director Membership</i>	Séan Harris
<i>Director of Engineering Knowledge</i>	Mark Hansford
<i>Director of Policy</i>	Chris Richards
<i>Interim Finance Director</i>	Simon Leicester
<i>Chief Information Officer</i>	Aaron Woods
<i>Communications Director</i>	Tas Bhanji

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Trustees' Report

Objectives and activities

Background and Mission

The Institution of Civil Engineers (“the Institution”, “the ICE”, or “the Charity”) is a registered charity and is incorporated by Royal Charter. The Institution’s overriding object is to foster and promote the art and science of Civil Engineering.

The ICE aims to support the profession by offering professional qualifications, promoting education, maintaining professional ethics, and liaising with industry, academia and government.

The Institution provides professional advice in transport, water supply and treatment, flood management, waste and energy. Established in 1818 the ICE has over 95,000 members, with over a quarter living outside the United Kingdom. The ICE has long provided independent professional advice to politicians operating in local, regional, and national government and to their supporting government departments. We provide impartial, authoritative and respected advice as part of our charitable purpose. We work with all parts of the profession to ensure that civil engineering remains a major contributor to economic and social wellbeing.

Vision, Strategy and Business Planning

The Trustees have the vision that “the ICE will transform lives by helping build a sustainable world”. The Trustees believe that the most effective way for the Institution to deliver this is by supporting the delivery of the UN Sustainable Delivery Goals and especially by:

- Building a network of highly trained and competent civil engineers in which society has confidence to deliver the infrastructure people need to live their lives. We do this by providing an internationally recognised set of qualifications by which our members can demonstrate their competence.
- Ensuring that infrastructure professionals have access to the very best insight, knowledge and professional development so that society can trust the opinion and expertise of our members. We deliver this through a range of programmes, events, education and training projects, and publications. We have a very strong focus on the decarbonisation of the global construction industry, and in enhancing the productivity of the industry thereby affording the public greater value for the money expended on infrastructure.
- The Trustees believe that the Institution has a core responsibility to shape the sustainable development of our world and, in so doing, to take a long-term perspective. They believe that supporting decision makers in reaching informed decisions to enable the most effective procurement, construction, operation, maintenance and ultimate disposal of infrastructure is a core part of that responsibility.

The Trustees carried out an in-depth review of strategy during 2021 which, after discussion with the ICE Council, culminated in the ICE Plan covering the period 2022-2025. The tenets of the strategy stood the Institution in exceptionally good stead throughout a challenging period. A revised version of the Plan, to cover 2023-2027, was approved during 2022.

Public benefit

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

- The general public benefits from safe and well-designed infrastructure which is delivered through the expertise of ICE 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 knowledge programmes, publishing activity comprising peer-reviewed technical journals, books, access to ICE's historic library and archive, and other professional development material, and (iii) through a professional network that makes them more valuable both to society and to their employers. The Institution has made significant strides to ensure that these services are now delivered digitally.

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.

Charity Commission Guidance

The 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.

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 kept as low as possible. Student membership is free, and, through the Queen's Jubilee Scholarship Trust ("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.

Achievements and performance

The Institution's activity in the year was planned against five key themes which were identified by the Trustees, and which formed the basis of the 2022-2025 ICE Plan. The five key themes were designed to realise achievement of the UNSDGs, and were to:

- Place the decarbonisation of our industry at the heart of our agenda (UNSDG 9.4 and 13.2).
- Working with others, both in the UK and overseas, to build resilience and mitigate the significant effects of climate change (UNSDG 13).
- Transform the availability of potable water and sanitation across the world (UNSDG 6 and 7).
- Transform the productivity of our industry by driving modern methods of procurement and manufacture (UNSDG 8 and 9).
- Enhance the knowledge, insight, and ethical understanding of engineers wherever they work across the world.

Overall, 2022 was a year in which the Institution made good progress against the plan, and made demonstrable progress across with our activities, as highlighted below.

Membership and qualification

We were able to consolidate the recovery of membership numbers following a slight dip during the pandemic. The Institution's total membership numbers increased by 0.4% in 2022, against a target of 1%, with increases in the number of Graduate, Student, and Technician members. The professionally qualified membership, excluding retired members, decreased by 0.2%, however this is in part due to a phasing issue as 239 eligible members could not be registered with the Engineering Council until February 2023, after the year end. Had we been able to register all passes which occurred in 2022, the professionally qualified membership would have grown by 0.5%.

In another encouraging sign, female membership increased by a further 3.4% to 15,427, representing 16.2% of the total membership (2021: 14,924, 15.7%). Geographically, membership numbers grew slightly in the UK, but fell internationally except for an increase of 6.8% in the Middle East and North Africa.

	2022	2021	2020	2019	2018
Membership by location					
United Kingdom	70,010	69,669	68,561	70,041	69,620
Europe (excluding UK)	2,158	2,177	2,080	2,004	1,940
Americas	1,404	1,462	1,404	1,449	1,404
Middle East & Africa	3,737	3,499	3,185	3,395	3,233
Asia Pacific	18,151	18,284	17,599	18,219	17,171
Total	95,460	95,091	92,829	95,108	93,368
Membership by grade					
Fellow	5,191	5,249	5,229	5,245	5,237
Member	39,507	40,018	39,925	40,235	40,084
Graduate	21,562	21,032	20,377	20,643	20,163
Student	24,930	24,615	23,418	25,308	24,563
Technician	3,150	3,031	2,806	2,644	2,402
Associate	1,092	1,118	1,033	992	876
Other	28	28	41	41	43
Total	95,460	95,091	92,829	95,108	93,368

We have stabilised our professional review process which will now be centred around six bi-monthly review sessions, delivering approximately 2,000 professionally qualified candidates each year. We have adopted a hybrid model which will move forward into 2023 with reviews defaulting to being carried out online, although some opportunity for face-to-face reviews will exist where candidates request that facility, or where reviewers require onboarding or access to the sharing of best practice.

As schools and universities re-opened, we worked hard to secure the qualifications' pipeline. Our programme for 16–18-year-olds saw the successful delivery of the 360-degree Inspire platform, a digital environment which encourages school children to consider civil engineering outcomes and relevance to society, in addition to fostering closer practical engagement. We also upgraded our *CityZen* programme, a digital urban planning exercise seeking to engage Sixth Form students; and saw participation increase significantly from 50 participating schools in 2021 to 150 in 2022. We also worked hard to re-engage the student population at universities, and saw this effort reflected in a net increase of 800 students. We also increased the number of academic partners to 30, and corporate partners to 15, up from 25 and 13 respectively.

Our regional members also continued to engage in the schools' space, visiting 390 schools and connecting with around 6,300 pupils during the year. A further 1,545 pupils were engaged with as part of our activities to mark International Women in Engineering Day, Tomorrow's Engineer Week, and Apprenticeship Week.

Across our regional programmes we delivered around 460 knowledge and networking events which attracted around 26,000 members and non-members as attendees. Importantly, Presidential and Director General visits to the regions continued unabated, and all UK and international regions received direct engagement by way of a visit or regional strategy meeting.

A seminal moment in 2022 saw the introduction of the first new protected title since 1927. Following two-thirds support at a member ballot in February 2022, the Privy Council granted the Institution the right to award the Chartered Infrastructure Engineer title in September 2022. This followed three years of product development and discussion with the Privy Council Governance Panel and the Department for Business, Energy and Industrial Strategy. The award of the title is an important juncture in our broadening campaign, and a recognition that successful infrastructure can only be delivered through collaboration and the sharing of engineering knowledge across the infrastructure sector.

Knowledge

During the year we launched a new framework of key continuing professional development ("CPD") topics that professionally qualified members are strongly recommended to undertake as appropriate, in addition to their personal learning as part of their ongoing development.

The catalyst for the new framework was the ICE's 2018 post-Grenfell *In Plain Sight* report, which recommended topics covering risk management and public safety, areas in which all civil engineers should continue to demonstrate competency if they are to play their key role in improving society. However, safety is only one of the challenges that civil engineers face, and the framework has been broadened to include topics that cover contemporary themes such as digital transformation, decarbonisation, and productivity.

Developed by the Professionalism Panel in consultation with ICE's knowledge networks, a principal priority during 2022 was to develop and release CPD activities that align the topics in the framework. These activities are a core part of the ICE member benefit and are made available to all members worldwide via ICE's online Knowledge Hub. The Hub was relaunched in February and throughout the course the year more than 80 modules have been created and released in a multi-media format including 40 written Knowledge Packs, Explainers, Infographics & Case studies, 13 Tech Talk videos and 28 Podcasts.

We set an ambitious target of having 5% of professionally qualified members, approximately 2,400 members, engage in at least one module on the Knowledge Hub in the first year. Whilst we did not quite reach the target by the end of the year, 1,760 members had started 5,435 modules, with uptake continuing to build in early 2023. The reach of the Knowledge Hub has also proved to be truly global, with 21% of the modules started by our overseas members. Promisingly, member feedback on the quality of the content has overwhelmingly positive.

59% of the started modules have been completed, which is significantly ahead of industry averages for e-learning. The most popular modules have been those that are risk-based, providing encouragement that the recommendations from ICE's *In Plain Sight* report remain valid, and anecdotal feedback has also been very positive.

With the support of the Health & Safety Executive, we also launched the *Inspiring Engineering Excellence* event, implementing one of the key *In Plain Sight* recommendations to share lessons around safety and risk. The event was live streamed and featured an immersive workshop session on safety and risk, and insightful discussion with industry leaders from the Rail Accident Investigation Board and UK Government Infrastructure & Projects Authority on how we can learn from incidents and improve approaches to risk.

Carbon reduction remained a principal theme in our Knowledge activities in 2022 and we have continued to deliver a number of tools in order to support the decarbonisation of the industry. This will directly support the achievement of UNSDG 9.4, which aims, by 2030, to have upgraded infrastructure and retrofitted industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.

We continued our work with the Green Construction Board to update the global standard PAS 2080, Carbon Management in Infrastructure. The update, and guidance, will be published and made freely available in early 2023.

We produced and launched the *Low Carbon Concrete Routemap* on behalf of industry, and we have agreed to act as the lead in establishing a taskforce to drive delivery of the programmes identified in the routemap. The use of concrete as a construction material is a significant contributor to carbon emissions across the world, and the routemap sets out a pathway to making concrete a net zero construction material by 2050. The Institution is also continuing to collaborate with RICS and other Professional Engineering Institutions on the establishment of a common carbon dataset that will be made freely available to assist in the creation of benchmarks for carbon calculations.

To drive adoption of these tools we also launched a Carbon Literacy programme, hosted in the Knowledge Hub, and we are continuing to develop the pan-industry *Carbon Champions* programme, which is designed to build a global cohort of “Carbon Champions” who can share best practice and exploit emergent tools and techniques to drive ever greater carbon reduction.

We deepened our relationship with the International Coalition for Sustainable Infrastructure (“ICSI”), alongside the American Society of Civil Engineers and the Global Covenant of Mayors for Climate & Energy. ICSI, a partner organisation of the UN’s Race to Resilience programme (“R2R”), has made the commitment that its members, through use of its tools and guidance, will have influenced and/or delivered 12,600 projects in 2,000 cities to improve the climate resilience of one billion people by 2030. The initiative is developing well, with the metrics featured in an R2R report showcasing resilience attributes of partner initiatives and is one of two partner initiatives featured as producing the best results. We have also transitioned the Brunel Lecture Series into a major climate resilience programme, which will support ICSI and explore the differing climate resilience challenges in regions around the world.

ICSI’s R2R work has also featured in the Sharm El-Sheikh Adaptation Agenda published by UNFCCC and the Marrakesh Partnership and at COP 27, ICSI hosted a Marrakech Partnership Implementation Lab on the theme of resilient transport infrastructure which featured contributions from senior ICE leadership. We will now support ICSI in its work to lead the development of a target for the resilience adaptation outcome, that: ‘Transport infrastructure be resilient to climate hazards through adoption of new technology, design and materials’.

The ICE also supported ICSI in carrying out a global consultation to provide input to the Sendai Framework Mid-term Review. Findings from over 200 survey responses from 50 countries and 30 one-to-one interviews with global experts were analysed and a paper was submitted to the United Nations Office for Disaster Risk Reduction. This was the only contribution from the global engineering community and a formal thank you letter was received from the UN for the contribution. The research will be used to develop a thought leadership paper on the role of engineers in accelerating implementation of the 2030 Sustainable Development agenda and advocacy positions.

Through the *State of the Nation* vehicle, we also produced and launched key guidance with an online “toolkit” that provides practical tools on how all infrastructure professionals can advance productivity at all stages of the infrastructure lifecycle. We will continue to develop the toolkit throughout 2023 and this will guide the Infrastructure Client Group’s Productivity programme. We also published a “*Guide to Procuring Construction Productivity*”, and work is underway on a “*Good Governance Guide*” through the Project 13 Network (“P13”).

To further support the productivity agenda, we launched Transforming Infrastructure Performance Live, a biannual series of events that will serve as a critical support vehicle to the UK Government’s Transforming Infrastructure Performance agenda. ICE also continued to support the growth of P13 which had over 3,000 members at year end. We consistently received over 100 new monthly registrations and are therefore confident that our target of 4,000 members will be reached during 2023.

We also continued to support leaders of major projects and programmes to improve industry performance through the development of the *Systems Approach to Infrastructure Delivery* programme. Engagement with the programme was strong, and we launched the second report in the Spring, which focussed on putting the principles into practice.

Policy and Public Affairs

The Institution’s work to influence infrastructure policy, both practice and thinking, continued throughout the year, and in 2022 we broadened our reach to provide policy insight outside the UK, leveraging the global analysis and networks of our members, infrastructure professionals and other experts.

We convened Presidential roundtables and meetings of the All-Party Parliamentary Group on Infrastructure. Policy and decision-makers at these events included the CEO of Infrastructure Australia, the Chair of the Environmental Audit Select Committee, the Chancellor of the Exchequer, the Secretary-General of the International Transport Forum, the Transport Minister, the Shadow Levelling Up Minister, Chair of the Transport Select Committee and the CEO of the New Zealand Infrastructure Commission. Non-UK attendance and contributions at these events continued to grow over the course of the year with contributions from across ICE’s Countries of Interest.

We contributed to debates through Green Paper programmes that utilised evidence and views from ICE members. We made the case for change on the topics of defining the outcomes for levelling-up and accelerating the delivery of the Integrated Rail Plan. We also ran the two new ‘Next Steps’ programmes exploring the issues holding back policy progress on the topics of public transport funding post-Covid-19 and financing the infrastructure net-zero transition, with international perspectives featured in both programmes.

Throughout the year we also responded to several consultations and inquiries, drawing on our regional and knowledge networks. ICE experts provided oral evidence to the Lords Built Environment Committee, while ICE evidence and views were frequently mentioned in Select Committee reports, international papers, and parliamentary debates on infrastructure. Teams in Scotland and Northern Ireland also delivered important reports on infrastructure planning to the respective devolved governments.

Future plans

The ICE's business plan for 2023-2027 continues to support our strategy to improve lives by ensuring the world has the engineering capacity and infrastructure systems it needs to allow our planet, and those who live on it, to thrive. In support of this purpose, the Institution's activity continues to be planned against key themes to help realise the achievement of the UNSDGs. These themes are to:

- Place the decarbonisation of our industry at the heart of our agenda (UNSDG 9.4 and 13.2).
- Working with others, both in the UK and overseas, to build resilience and mitigate the significant effects of climate change (UNSDG 13).
- Transform the productivity of our industry by driving modern methods of procurement and manufacture, establishing data and digital technology at the heart of global infrastructure (UNSDG 8 and 9).

The Trustees have also recognised the interlinking effects of water, transport, and energy in achieving these aims, and additionally we will:

- Transform the availability of potable water and sanitation across the world (UNSDG 6).
- Work with others to deliver affordable and clean energy (UNSDG 7).
- Build a technology-focused mobility and transportation programme (UNSDG 11).
- Work collaboratively with others to enhance the knowledge, insight and ethical understanding of engineers wherever they work across the world. (UNSDG 17.9).

The ICE has a unique position in the professional qualification and professional development of civil engineers: by helping to develop standards and advance best practice. Accordingly, the greatest contribution that the Institution can make to achieving Net Zero is through the professional work of our members worldwide and through our even wider influence on policy and civil engineering practice.

Some highlights of what we aim to deliver specifically within our net zero carbon work programme in 2023 include:

- Developing our UNSDG position to inform the UN's mid-term review and developing the ICE Plan with tangible success metrics.
- Continuing to build member engagement with the Knowledge Hub and in particular the Carbon and Climate modules, growing the global reach of our knowledge networks through more collaboration with global engineering bodies worldwide.
- Developing a renewed ICE Carbon strategy that engages members with aspirational and achievable targets and delivering the PAS 2080 update and working to drive engagement and adoption by industry.
- Running our first major international knowledge conference since the Covid pandemic on the theme of climate resilience and continuing with our work with ICSI, including a significant presence at COP28.
- Developing and launching a productivity maturity toolkit and developing actionable case studies for our members that support delivery of UNSDGs.
- Delivering and running the International Federation of Municipal Engineers' Global Congress to convene global expertise in the delivery of safe and affordable transport.
- Establishing and expanding a Policy Fellows Network, facilitating meetings with industry and decision makers to discuss how best to identify and deliver the infrastructure that countries need.

Additionally, we will:

- Qualify the Institution's first Chartered Infrastructure Engineer, and we will aim to increase professional registrations for the seventh consecutive year, in contrast to the wider-PEI trend of declining applications.
- Continue our work to increase the proportion of female members and those from ethnic minorities.
- Complete the development, testing and embedding of a replacement for the membership management system. The launch of the new system, which began development in October 2020, is expected later in 2023.

Financial review

Net income before investment gains and losses was £3,017k (2021: £5,246k), however due to other gains and losses the Group's total net movement in funds saw a decrease in reserves of £2,382k, summarised as follows:

	2022 £'000	2021 £'000
Net income before investment gains and losses	3,017	5,246
Net investment (losses) gains	(2,936)	1,995
Actuarial (loss) gain on defined benefit pension scheme	(354)	(9,102)
Loss on revaluation of heritage assets	(2,109)	–
Net movement in funds	(2,382)	(1,861)

Total group income increased by £5,360k, or 15%, to £40,403k (2021: £35,043k). The table below provides a high-level breakdown of income, as shown in the consolidated statement of financial activities.

Where the money comes from:	2022		2021	
	£'000	%	£'000	%
Membership subscriptions	14,604	36	14,505	41
Professional development and admission	1,634	4	1,761	5
Other charitable income	1,294	3	1,893	6
Trading activities	20,356	50	15,553	44
Donations and legacies	1,837	5	974	3
Investment and other income	678	2	357	1
	40,403	100	35,043	100

The increase in income was largely attributable to the Institution's trading activities which increased as Thomas Telford Limited recovered from the pandemic, whilst investment income also increased as UK interest rates rose throughout the year.

Additionally, a generous legacy of £1,238k (2021: £nil) was received from the estate of the deceased Mrs Nora J Neale in memory of her late husband, Mr Michael Neale, a former member of the Institution. At the date of the signing of this report no distributions have been from the estate. In accordance with the late Mrs Neale's wishes, the funds will be used will be used to setup and fund a new scholarship programme.

Total group expenditure increased by £7,589k, or 25%, to £37,386k (2021: £29,797k). The table below provides a high-level breakdown of expenditure, as shown in the consolidated statement of financial activities.

Where the money is spent:	2022		2021	
	£'000	%	£'000	%
Membership and qualification	10,081	27	8,378	28
Knowledge	5,207	14	4,192	14
Policy and public affairs	2,697	7	1,726	6
Regional activities	4,516	12	3,665	12
Grants and scholarships	771	2	755	3
Trading activities	13,958	37	10,965	36
Investment costs	156	1	116	1
	37,386	100	29,797	100

The majority of ongoing expenditure continued to be incurred directly on charitable activities with £23,308k or 62% (2021: £18,716k, 63%) of total expenditure allocated to activities in pursuance of the charitable object set out in the Royal Charter. The increase is attributable to the reopening of our offices and an increase in business travel and face-to-face activity following the pandemic, and continued investment in our digital offering.

Membership and qualification related expenditure, which covers the cost of admissions and transfers, professional reviews, and professional learning and development, accounted for £10,081k (2021: £8,378k) of expenditure on charitable activities. Knowledge related expenditure of £5,207k (2021: £4,192k) includes costs related to nurturing and sharing civil engineering knowledge, whilst policy and public affairs expenditure totalled £2,697k (2021: £1,726k). An amount of £4,516k (2021: £3,665k) was spent on the Institution's regional activities, which includes the costs of the UK Regions, overseas offices, and of supporting the ICE's Local Associations across the world.

Trading activities accounted for £20,356k (50%) (2021: £15,553k, 44%) of total income and £13,958k (37%) of total expenditure (2021: £10,965k, 36%). The Group's trading activities are primarily carried out through ICE's trading subsidiary, Thomas Telford Limited ("TTL"), whose principal activities include the publication of contracts, books and quality journals, the provision of training and consultancy, and the provision of meeting and hospitality facilities.

While expenditure varies in relation to the volume of trading activity, the key measure of effectiveness is the profit generated, which is used to support charitable activities and mitigate increases to membership subscription tariffs. TTL's result for the year was a net profit of £4,975k (2021: £3,844k).

TTL's publishing and training operations both enjoyed another successful year, whilst the events venue in Westminster has now fully reopened following the pandemic. The business worked closely with clients throughout the prolonged period of disruption and has benefited from strong orders as confidence has returned to the events sector. The whole of the TTL profit is gift aided to the ICE under a Deed of Charitable Covenant. ICE also runs some conferences and seminars directly, in pursuance of its charitable purpose to promote civil engineering rather than for commercial return.

The remaining 1% (2021: 1%) of expenditure was spent on management costs of the Charity's investment portfolio.

Included within charitable and trading expenditure are support costs totalling £8,799k which represent 24% of total expenditure (2021: £7,149k, 24%). Support costs include expenditure incurred on information technology, human resources, premises, finance, management, and governance.

The QUEST fund enjoyed another successful year. Incoming donations totalled £463k (2021: £568k) and scholarships of £470k (2021: £506k) were awarded to 356 recipients (2021: 339). The Into Civil Engineering Fund continued to award scholarships, and payments totalling £61k (2021: £71k) were made to 14 students (2021: 16). The Research and Development Enabling Fund awarded six new grants in 2022 (2021: three) with an average grant per recipient of £21k (2021: £23k).

Balance sheet

Listed investments decreased to £20,699k (2021: £23,720k) due to underlying investment losses, however, this followed two years of strong gains. Intangible assets increased to £3,665k (2021: £2,658k), primarily due to the continued investment in the new membership management system and TTL systems to support product and market development. Tangible fixed assets decreased by £42k to £27,378k (2021: £27,420k) as the cost of additions was broadly in line with the depreciation charged in year.

The Group's operating and investment activities generated a net cash inflow of £2,675k (2021: £6,550k) and net cash outflow of £2,393k (2021: £2,038k) respectively. After bank loan repayments in the year of £212k (2021: 423k), the Group generated a net cash inflow of £70k (2021: £4,089k net inflow).

Reserves policy

A healthy level of free reserves is essential to ensuring that the Institution can sustainably continue to deliver its aims and objectives and is an important part of how the ICE is financially resilient.

The 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 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 Institution's methodology for assessing the desired level of reserves seeks to align the reserves target with the risk assessment process and the specific risks faced by the Institution. The specific risks and the desired levels of reserves associated with them are reviewed annually.

The methodology allows the Trustees to ensure that the Institution is not accumulating funds unnecessarily so that they are used to enable the aims and objectives instead. Reviewing the risk register, there are a number of specific risks, that may impact income or expenditure, that have the potential to significantly impact the Institution and its ability to be business resilient.

During the year the Trustees have assessed each of these material risks and identified the potential financial impact and likelihood of occurrence of each. Whilst the free reserves target could be set as the sum of the total financial impact of all these risks it is highly unlikely that all would crystallise in the same year. Similarly, as we saw in 2020, action can, and would, be taken to reduce expenditure and protect income if a material risk did crystallise.

Based on this analysis, the Trustees approved the new reserves target for free unallocated reserves of £11.5m to £14.5m, where free unallocated reserves consist of free reserves, in accordance with Charity Commission definitions, adjusted to include the balance of current and non-current assets and liabilities retained in subsidiaries.

Funds of the Group

The total funds of the Group at 31 December 2022 amounted to £71,095k (2021: £73,477k). Of these funds, unrestricted funds amounted to £64,680k (2021: £67,511k).

In the year ended 31 December 2022 the Institution's General Fund decreased by £5,213k to £15,277k (2021: £20,490k). The General Fund excludes all funds which are not available for the Charity's free use, including the Charity's tangible and intangible fixed assets, all funds retained in subsidiaries and joint ventures, and other designated and restricted funds. Under Charity Commission definitions the General Fund represent the ICE's free reserves.

Total funds retained in subsidiaries at 31 December 2022 were £405k (2021: £317k). Within this amount was £896k (2021: £1,142k) of tangible and intangible fixed assets and a net balance of £491k (2021: £825k) of current and non-current liabilities. Whilst these liabilities do not form part of the free reserves under Charity Commission definitions, the free reserves target is set after making allowance for them and therefore these net liabilities are added to free reserves when comparing the actual reserves to the target.

At 31 December 2022 the free unallocated reserves of the Group stood at £14,786k (2021: £19,665k), an amount slightly in excess of the target range of £11.5m to £14.5m. Free reserves remain subject to any movement in investment markets, which have seen significant volatility in recent years, in particular at the start of pandemic in early 2020. Other factors ultimately impacting free reserves levels include innovation investments and rapid rises in inflation during 2022, influenced by recent events in Eastern Europe, and the tight UK labour market.

Significant expenditure is expected over the coming years, including further investment in the digital delivery of services and the cost of maintenance of the Institution's estate. During the year ended 31 December 2021 the Trustees agreed the creation of two new designated reserves to meet the cost of these items, and as at 31 December 2022 a total of £1,000k was held in the digital transformation fund and £3,500k was held in the estate maintenance fund. The estate maintenance fund is expected to reduce the need for either borrowings or to draw on free reserves to cover the cost of major estate works, whether planned or emergency, in the coming years.

The Institution is 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 2022 they stood at £27,120k (2021: £29,186k). Excluding long-term investments, the freely available cash balance at 31 December 2022 was £11,120k (2021: £10,818k). The Institution put in place a £3m overdraft facility in October 2020 to provide additional protection against the possible negative impact of the Covid-19 pandemic on working capital cash flow. The facility was not used and was closed in April 2022.

Pensions

Pension funds are valued in different ways by the actuaries to suit different purposes. A triennial valuation establishes an appropriate funding level and uses set financial assumptions that differ from those used for including pensions in the financial statements of the sponsoring employer. These accounting disclosure requirements are governed by the Financial Reporting Standard, FRS 102.

At the 31 December 2019 triennial valuation the pension surplus was £2.0m, at a funding level of 104%. This is based on estimating the long-term liabilities over the remaining lives of scheme members. The latest valuation available calculated on the same basis was as at 31 December 2021 which indicated the surplus was £4.2m, at a funding level of 108%. However, the value as per the FRS 102 valuation at the same date was a surplus of £12.7m, a funding level of 127%.

The value as per the FRS 102 valuation at 31 December 2022 was a surplus of £10.2m, a funding level of 133%. The triennial valuation at the 31 December 2022 was not available at the date of signing this report but is expected to show a similar position to the prior year, with a funding level significantly below that shown in the FRS 102 valuation.

The FRS 102 valuation assumes higher interest and discount rates than the triennial valuation which leads to a lower calculation of pension liabilities. The ongoing valuation basis, as used for the triennial valuation, is used to agree contribution levels. The Institution voluntarily paid £125k (2021: £500k) during the year ended 31 December 2022 and continued to pay the scheme's expenses throughout the year. After reviewing the current funding position of the pension scheme the Institution and pension scheme trustees ceased making voluntary deficit recovery contributions in March 2022 and agreed that the scheme's expenses will begin to be paid from the scheme from January 2023 onwards.

Furthermore, at the 31 December 2019 triennial valuation the position of the scheme as estimated if it were to wind-up at that date and secure benefits with an insurance company (i.e. buy-out the scheme) showed a pension deficit of £11.2m, with a funding level of 82%. The deficit on 31 December 2021, calculated on the same basis was £2.7m, at a funding level of 96%. At 31 December 2021 the difference between the FRS 102 valuation and the wind-up valuation was therefore £10.0m. Furthermore, in the event of a winding up there could be a requirement to value certain salary linked benefits which would further increase this difference.

The Trustees have reassessed the estimate of the pension scheme asset included in the accounts, and for the year ended 31 December 2022 the surplus on the FRS 102 basis has not been recognised in the accounts. There is no certainty that, if it were to crystallise, any sum would be refundable from the pension scheme. Settling pension liabilities takes a long time, with costs spread over many years. The funding level is also volatile, and valuations are sensitive to changes in the financial market.

Despite the FRS 102 valuation, the Trustees remain mindful of the long-term nature of the defined benefit pension scheme liabilities, and the impact that any movements in the liabilities of the scheme may have on the free reserves and the resources available for general application. The scheme was previously closed to future service accrual to mitigate some of the risk, and the Trustees continue to work closely with the scheme trustees to manage scheme-related risks.

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 the UNPRI. The Trustees have also agreed that, wherever possible, preference should be given to funds which support the UNSDGs.

The objective for each of the three investment portfolios is to generate a return in excess of inflation over the long term, while generating an income to support the ongoing activities of the Institution or the relevant specific restricted fund. Investments for each specific fund are managed within agreed asset allocation ranges, and their performance is regularly reviewed against appropriate benchmarks.

Grant making policy

The Institution does not generally make grants from its unrestricted funds. Grants are generally made to individuals in the form of scholarships or awards from the QUEST, Into Civil Engineering, and Trust funds. All grants are made in accordance with the objectives and restrictions of the relevant fund.

The Research and Development Enabling Fund is administered by the Research, Development and Innovation towards Engineering Excellence Panel. Grants from this fund are made to support research in civil engineering and are given to recipients in both industry and academia.

Streamlined Energy and Carbon Reporting (SECR)

We recognise that climate change is one of the most important issues facing every one of us today. As civil engineers, our members play a crucial role in the reduction of carbon emissions and the ICE aims to help the profession contribute towards the net zero carbon target and mitigate climate change.

In light of this we believe it is important that the ICE is transparent about its own carbon emissions. Whilst not legally required to do so, we are voluntarily reporting our energy and carbon emissions in compliance with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. This requires an annual report on greenhouse gas emissions from UK energy use and business vehicles travel.

The table below summarises emissions in the year. The carbon footprint for the year ended 31 December 2022 was 543 tonnes CO₂e, which represents a carbon intensity of 1.70 tCO₂e per full time equivalent employee (2021: 1.56 tCO₂e).

	Unit	Quantity 2022	Carbon Footprint (tCO ₂ e) 2022	Quantity 2021	Carbon Footprint (tCO ₂ e) 2021	Scope
Electricity, One Great George Street	KWh	1,172,070	227	865,688	184	2
Gas, One Great George Street	KWh	1,247,636	228	1,198,431	220	1
Electricity, 8 Storey's Gate	KWh	168,827	33	146,523	31	2
Gas, 8 Storey's Gate	KWh	205,082	37	124,317	23	1
Business vehicle travel	vkm	103,706	18	20,400	3	3
			543		461	

We acknowledge that the carbon footprint for the year ended 31 December 2022 remains lower than what might usually be expected because of the Covid-19 pandemic. Gas and electricity usage throughout both the current and prior year was below the usual pre-pandemic levels as the Institution's offices were closed, or partially closed, from March 2020 until March 2022 (with most staff continuing to work from home full time throughout this period), whilst TTL's events and hospitality business was unable to operate for a part of the prior year due to lockdowns. Furthermore, business travel decreased as face-to-face activity ceased and moved online.

As our offices and hospitality business should remain open for a full year in 2023, for the first time since 2019, a further increase to our carbon footprint is expected next year. Nonetheless, we expect this to stabilise at level lower than before the pandemic due to positive changes we have made to our service delivery over the past few years, such as the move to conducting Professional Reviews online, offering stronger knowledge content in a more accessible digital format.

Methodology

Our reporting methodology is based on the UK Government's 2019 Environmental Reporting Guidelines and these carbon footprints have been calculated using the UK Government GHG Conversion Factors for Company Reporting for 2022. Energy use data was collected from energy bills. We have excluded all managed offices where we do not receive a separate charge for energy (which includes the Group's overseas offices).

Approximately 32% (2021: 32%) of the electricity at One Great George Street and 8 Storey's Gate is from renewable sources. However, in compliance with reporting standards, the carbon saving this creates is not included in the standardised carbon footprint reported above. We have entered into an agreement with a new electricity supplier and from late 2023 100% of our electricity will be supplied from renewable sources.

Whilst the Institution does not own any vehicles and thus does not purchase any vehicle fuel directly, UK staff and volunteers do sometimes use their own cars for the Institution's business. This has been voluntarily disclosed in the information above and is estimated based on submitted mileage claims. Business travel has been calculated using the factor for "Average car, unknown fuel".

Energy efficient action taken

The ICE is committed to the improvement of its environmental performance; however, the management of resources is an important issue for the Charity and it is operating within the constraint that both One Great George Street and 8 Storey's Gate have listed status. Despite this, however, we were still able to implement some energy reduction measures. We have made improvements to the water system at One Great George Street which allow us to control the risk from legionella in a more energy efficient way, which we envisage will lead to a reduction in our gas consumption during 2023.

Structure, governance and management

The ICE is governed by a Trustee Board which is responsible for the Institution's strategic decision making. The Trustee Board is chaired by the President and comprises three Vice Presidents, three trustees elected by the Council, four trustees elected by the membership, and one trustee appointed by the Nomination Committee. All trustees are approved annually by the ICE Council.

The Trustee Board meets no fewer than five times a year to carry out its corporate governance responsibilities. Specific responsibilities of the Trustee Board are delegated to key standing committees: Membership, Learning Society, Regional Affairs, International, Policy & External Affairs, Communications, and Finance Assurance & Risk. The implementation of the ICE Plan set by the Trustee Board, as well as the day-to-day management of the affairs of the Institution, is the responsibility of the Director General & Secretary.

Trustees are supported by a 38-strong advisory Council, who offer assistance, insight and advice on the derivation of the ICE's strategy and plan. The Council is chaired by the President, while Council members are directly elected by ICE members worldwide. To maintain continuity, a third of Council seats come up for election each year when Council members finish their three-year terms.

There are regional Council members for each of the 12 UK regions and Hong Kong, International Council members for ICE's four International areas, and three Graduate Council members to represent the views of aspiring members. Issues of particular concern to members who are working towards a professional qualification or further professional qualification under an apprenticeship are the focus of the Early Careers Network (ECNet), and there is a standing invitation for their Chair to attend ICE Trustee Board and Council meetings.

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 their respective roles, all ICE governance procedures and the terms of reference of the Trustee Board, Council and other main standing committees. Trustee Board members are also directed towards guidance and information about trusteeship which is available through the charity regulatory bodies (i.e. the Charity Commission and Office of the Scottish Charity Regulator). Trustee Board members must ensure that they fully understand their responsibilities as trustees, and a trustee induction day is held annually to reinforce this.

As recommended by an earlier governance review carried out during 2020, a further review into the current effectiveness of the Nominations Committee was carried out during 2022. The review identified a number of process improvements for the Nominations Committee which were considered by Council, and their implementation was recommended to the Trustee Board. The Trustee Board subsequently accepted these recommendations.

Standing and Operational Committees

A brief description of the role of each of the standing committees, and the key commercial, financial, and operational committees, is detailed below. The current chair of each committee is listed on page 52.

- **Nominations Committee:** The role of the ICE Nomination Committee is to make recommendations to the Trustee Board for the appointment of candidates for senior positions in the Institution.
- **Membership Committee:** The Membership Committee is responsible to the Trustee Board for the role of the Institution as a qualifying body and for maintaining the professionalism element of membership. The Committee admits, on the Trustee Board's behalf, persons to the Membership Roll at all grades in accordance with the Royal Charter and By-laws.
- **UK Regional Affairs Committee:** The UK Regional Affairs Committee advises the Trustee Board on the ICE's UK regional strategy. The Committee is made up of the Regional Committee chairs from each of the individual 12 UK Region Committees, and the Regional Council members.
- **International Regions Committee:** The International Committee oversees ICE's strategy across the eight ICE international regions and reports to the Trustee Board.
- **Learning Society Committee:** The Learning Society Committee supports the ICE Council in delivering the Institution's knowledge programme.
- **Policy and External Affairs Committee:** The Policy and External Affairs Committee provides strategic direction in matters of government relations and policy.

- Finance, Assurance and Risk Committee: The Finance, Assurance and Risk Committee monitors the financial performance and prospects of the Group, helping to ensure the Institution can meet its ongoing financial and non-financial commitments. The Committee scrutinises the annual budgets and plans and reviews management accounts, monitoring performance against the business plan and budgets.
- Remuneration Committee: The Remuneration Committee reviews and approves the remuneration of staff at Director level and above on an annual basis. Further details on how pay for these staff is set is detailed on page 18.
- Audit Committee: The Audit Committee ensures that effective audit functions are in place, oversees the management of risk, and assesses the overall risk profile of the Institution. Based on this the Committee undertakes a regular cycle of reviews and receives reports on selected internal control processes. The Committee reviews the Annual Report and Accounts of the Institution and the annual financial statements of TTL, before recommending their approval to the Trustee Board and TTL Board respectively.

Risk management

The ICE must protect against a range of risks and the Trustees have embedded risk management within the Group. Strategic and operational risk registers are regularly updated and reviewed by the management team, and further reviewed by the Audit Committee and the Trustee Board. 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.

We track and consider both short and long-term risks. The latter are, almost inevitably, creeping risks, initially they seem small or avoidable, but cumulatively over several years they manifest themselves as significant or even severe. As a result, the risk register is based around the following key strategic risks:

- Risks to income;
- Risks to delivering the five strategic strands;
- Changes to international and national qualification models;
- Risks to delivering the new CRM system, ICE Connect;
- Failure to attract and retain the best staff; and
- Long term risks to TTL income and or products.

The Institution is heavily reliant on two main sources of funding, membership subscriptions and profit from the TTL's commercial operations.

As a membership-based Institution it is imperative that we maintain our membership income streams and levels of membership engagement. Whilst our membership numbers had exceeded pre-pandemic levels by the end of 2022, we continually face challenges from changes to qualification models and other Professional Engineering Institutions. It is therefore vital that we attract new members and convert graduate members to chartered engineers. We have a number of programmes for engaging with universities, sixth forms, and employers which have been hugely successful. Furthermore, the ICE Exam in 2022 now offers a new route to Chartered Professional Review for BEng graduate members, and the introduction of the Chartered Infrastructure Engineer title offers us the opportunity to welcome more qualified members.

Whilst income from membership subscriptions proved to be robust, revenues from commercial activities were affected by government restrictions during the pandemic and have been somewhat affected by industrial action in the transport sector during 2022.

Historically the ICE prepared its budgets on the assumption that TTL would always meet the profit target set for the same financial year. However, the pandemic and the result for the 2020 demonstrated that the ICE should not always rely on that assumption. The ICE carefully managed costs throughout the pandemic and as a result the Group achieved strong surpluses in both 2020 and 2021. These surpluses have allowed the Institution to move to a reserves model where activity is supported by TTL's prior year profit, rather than in year profit. This change reduces the risk that a sudden economic downturn reduces TTL's profit causing the Institution to have to unexpectedly curtail its charitable activities. This positions the ICE well to navigate the current period of economic uncertainty.

Whilst the Institution's IT services have been resilient in recent years, there is a risk that key IT infrastructure fails or that we fail to deliver a strategic IT solution that meets the needs of our members, clients, or staff. As a membership organisation we are particularly sensitive to the requirements of data protection legislation and the need to protect our systems. The ICE is Cyber Essentials accredited, and we continually review our systems, receiving assistance from specialist third parties where necessary, to ensure we are well placed to protect the data we hold.

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

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 Charity on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes 10 and 11 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 two wholly owned subsidiary undertakings: Thomas Telford Limited, a company registered in England and Wales, operates on a commercial basis and donates its profits to the ICE, and The Institution of Civil Engineers (Hong Kong) Limited, a company registered in Hong Kong.

The Institution is also an equal guarantor to Structural-Safety Limited ("SSL"), a company registered in England and Wales, with the Institution of Structural Engineers.

The ICE works with a number of charitable organisations in pursuit of its charitable objectives, including 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 2022 the assets of these funds, which are held in cash separately from the assets of the ICE, were valued at £668k (2021: £674k).

The Institution also works closely with the ICE Benevolent Fund, a charity registered in England and Wales, who provide benevolent services to ICE members and staff.

Fundraising

Section 162a of the Charities Act 2011 requires charities of a certain size to make a statement regarding fundraising activities in their Annual Report. Although we do not undertake widespread fundraising from the general public, the legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes".

The Institution's fundraising activities focus on generating income to support civil engineering scholarships through the QUEST fund, and research grants through the Research and Development Enabling fund. All solicitations are managed internally, without involvement of professional fundraisers or commercial participants. The day-to-day management of all income generation is delegated to the management team, who are accountable to the Trustee Board.

Fundraising income is presented in our accounts within income from donations and legacies and includes grants.

The ICE is registered with the UK Fundraising Regulator and complies with all the relevant standards set out in the Code of Fundraising Practice. We have received no complaints in relation to fundraising activities during the year.

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 2022 the PCP considered 26 complaints against members regarding their professional conduct. In nine cases the PCP determined that there was no case to answer and the complaint was dismissed. In three cases the PCP issued advice to the member but did not take the view that a referral to the Disciplinary Board was merited. Six cases have been carried forward to 2023. Eight new referrals to the Disciplinary Board were made and are due to be heard in 2023.

Disciplinary Board

The Disciplinary Board did not hear any cases in 2022. Two cases that were referred to the Disciplinary Board by the PCP in 2021, and the appeal of a case previously heard by the Disciplinary Board in 2021, will all be heard in 2023.

Reservoir Safety - Reservoirs Committee

During 2022, the ICE Reservoirs Committee dealt with 46 applications from civil engineers seeking appointment or reappointment to panels of engineers under the relevant United Kingdom legislation for the construction, inspection and supervision of large, raised reservoirs. The committee found that 41 of the applicants qualified for appointment and five were not qualified.

Members

The role played by our members, who so generously volunteer their time to serve the Institution, cannot be overestimated. It is estimated that over 10,000 members volunteer their time each year. Their expertise is vital across a number of charitable activities, including:

- Undertaking professional reviews, the process by which individuals are assessed for qualification to membership.
- Acting as STEM (Science, Technology, Engineering, and Mathematics) ambassadors to schools and universities.
- The awarding of scholarships from the Queen's Jubilee Scholarship Trust fund.
- Working within the governance of the Institution.
- Advising the Institution on policy and responses to government consultations.

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

Statement of Trustees' Responsibilities

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.

Signed on behalf of the Trustee Board:

K. J. Howells

Keith Howells BSc MBA CEng FICE FCIWEM FREng
President

28 March 2023

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

Opinion

We have audited the financial statements of the Institution of Civil Engineers for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, the charity statement of financial activities, the balance sheets, 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 2022 and of the group's net movement in funds 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 the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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. 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report and the President's Foreword. 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 (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- sufficient and proper accounting records have not been kept; 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity law applicable in both England and Wales and Scotland, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the group relevant to the preparation of the financial statements to ensure these were in place throughout the year, including during the Covid-19 remote working period;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, in particular the valuation of heritage and intangible assets and stock provisions.
- Reviewing the assumptions and judgements used by the professional actuary in relation to the charity's pension scheme.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. 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 section 144 of the Charities Act 2011 and regulations made under section 154 of that Act, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP

Haysmacintyre LLP
Statutory auditor
10 Queen Street Place
London
EC4R 1AG

Date: 24/04/23

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities

For the year ended 31 December 2022

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2022 £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2021 £'000
Income from:									
Donations and legacies	1	37	1,800	–	1,837	268	706	–	974
Charitable activities									
Membership and qualification	2	16,711	–	–	16,711	16,707	–	–	16,707
Knowledge		642	30	–	672	1,294	–	–	1,294
Policy and public affairs		–	149	–	149	–	158	–	158
Other trading activities	3	20,356	–	–	20,356	15,553	–	–	15,553
Investments	4	384	65	–	449	191	49	–	240
Joint venture	16	–	–	–	–	7	–	–	7
Other	5	229	–	–	229	110	–	–	110
Total		38,359	2,044	–	40,403	34,130	913	–	35,043
Expenditure on:									
Raising funds									
Trading activities	6	13,958	–	–	13,958	10,965	–	–	10,965
Investment managers fees	6	91	23	–	114	93	23	–	116
Joint venture	6,16	42	–	–	42	–	–	–	–
Charitable activities									
Membership and qualification	6	10,076	5	–	10,081	8,282	96	–	8,378
Knowledge	6	5,140	67	–	5,207	4,192	–	–	4,192
Policy and public affairs	6	2,561	136	–	2,697	1,601	125	–	1,726
Regional activities	6	4,516	–	–	4,516	3,665	–	–	3,665
Grants and scholarships	6	–	771	–	771	–	755	–	755
Total expenditure		36,384	1,002	–	37,386	28,798	999	–	29,797
Net (losses) gains on investments		(2,333)	(447)	(156)	(2,936)	1,590	300	105	1,995
Net income (expenditure)		(358)	595	(156)	81	6,922	214	105	7,241
Transfers between funds		(10)	10	–	–	–	–	–	–
Other recognised gains									
Actuarial losses on defined benefit pension scheme	24	(354)	–	–	(354)	(9,102)	–	–	(9,102)
Gain on revaluation of heritage assets	15	(2,109)	–	–	(2,109)	–	–	–	–
Net movement in funds		(2,831)	605	(156)	(2,382)	(2,180)	214	105	(1,861)
Reconciliation of funds:									
Total funds brought forward		67,511	4,709	1,257	73,477	69,691	4,495	1,152	75,338
Total funds carried forward		64,680	5,314	1,101	71,095	67,511	4,709	1,257	73,477

All income and expenditure are derived from continuing activities. There are no other recognised gains or losses other than those stated above.

The accounting policies and notes on pages 28 to 51 form an integral part of these financial statements.

Charity Statement of Financial Activities

For the year ended 31 December 2022

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2022 £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2021 £'000
Income from:									
Donations and legacies	1	4,994	1,800	–	6,794	3,891	706	–	4,597
Charitable activities									
Membership and qualification	2	16,711	–	–	16,711	16,707	–	–	16,707
Knowledge		642	30	–	672	1,294	–	–	1,294
Policy and public affairs		–	149	–	149	–	158	–	158
Other trading activities	3	1,874	–	–	1,874	1,445	–	–	1,445
Investments	4	384	65	–	449	191	49	–	240
Joint venture	16	–	–	–	–	7	–	–	7
Other	5	229	–	–	229	110	–	–	110
Total		24,834	2,044	–	26,878	23,645	913	–	24,558
Expenditure on:									
Raising funds									
Trading activities	6	665	–	–	665	625	–	–	625
Investment managers fees	6	91	23	–	114	93	23	–	116
Joint venture	6, 16	42	–	–	42	–	–	–	–
Charitable activities									
Membership and qualification	6	10,078	5	–	10,083	8,282	96	–	8,378
Knowledge	6	5,140	67	–	5,207	4,192	–	–	4,192
Policy and public affairs	6	2,561	136	–	2,697	1,601	125	–	1,726
Regional activities	6	4,370	–	–	4,370	3,564	–	–	3,564
Grants and scholarships	6	–	771	–	771	–	755	–	755
Total expenditure		22,947	1,002	–	23,949	18,357	999	–	19,356
Net (losses) gains on investments		(2,333)	(447)	(156)	(2,936)	1,590	300	105	1,995
Net income (expenditure)		(446)	595	(156)	(7)	6,878	214	105	7,197
Transfers between funds		(10)	10	–	–	–	–	–	–
Other recognised gains									
Actuarial losses on defined benefit pension scheme	24	(354)	–	–	(354)	(9,102)	–	–	(9,102)
Gain on revaluation of heritage assets	15	(2,109)	–	–	(2,109)	–	–	–	–
Net movement in funds		(2,919)	605	(156)	(2,470)	(2,224)	214	105	(1,905)
Reconciliation of funds:									
Total funds brought forward		67,194	4,709	1,257	73,160	69,418	4,495	1,152	75,065
Total funds carried forward		64,275	5,314	1,101	70,690	67,194	4,709	1,257	73,160

All income and expenditure are derived from continuing activities. There are no other recognised gains or losses other than those stated above.

The accounting policies and notes on pages 28 to 51 form an integral part of these financial statements.

Balance Sheets

at 31 December 2022

	Note	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Fixed Assets					
Intangible assets	13	3,665	2,658	2,907	1,710
Tangible assets	14	27,378	27,420	27,240	27,226
Heritage assets	15	13,134	15,241	13,134	15,241
Investments	16	20,745	23,808	21,046	24,109
		64,922	69,127	64,327	68,286
Current Assets					
Stocks	17	334	367	–	–
Debtors	18	6,029	4,479	3,240	1,973
Cash at bank and in hand		12,155	12,001	11,248	10,722
		18,518	16,847	14,488	12,695
Creditors: amounts falling due within one year	19	(11,846)	(12,065)	(8,125)	(7,821)
Net current assets		6,672	4,782	6,363	4,874
Creditors: amounts falling due after one year	20	(499)	(432)	–	–
Total net assets before pension scheme asset		71,095	73,477	70,690	73,160
Defined benefit pension scheme asset	24	–	–	–	–
Total net assets		71,095	73,477	70,690	73,160
Funds					
Endowment funds	26	1,101	1,257	1,101	1,257
Restricted funds	27	5,314	4,709	5,314	4,709
Unrestricted income funds	28	58,988	59,710	58,583	59,393
Revaluation reserve	28	5,692	7,801	5,692	7,801
Total funds		71,095	73,477	70,690	73,160

The financial statements were approved by the trustees on 28 March 2023 and signed on their behalf by:

K. J. Howells

Janet Young

Anusha Shah

Keith Howells
President

Janet Young
Director General and Secretary

Anusha Shah
Senior Vice President

The accounting policies and notes on pages 28 to 51 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2022

	2022 £'000	2021 £'000
Cash flows from operating activities		
Net income for the year (as per the statement of financial activities)	81	7,241
Adjusted for:		
Investment income	(449)	(240)
Joint venture loss (income)	42	(7)
Net investment losses (gains)	2,936	(1,995)
Depreciation	1,039	792
Amortisation	359	380
Loss on disposal of tangible fixed assets	47	3
Loss on disposal of intangible assets	312	5
Donated heritage assets	(2)	(1)
Net interest on defined benefit pension scheme	(229)	(110)
Defined benefit pension scheme deficit reduction payments	(125)	(500)
(Increase) decrease in stocks	33	(51)
(Increase) decrease in debtors	(1,550)	(268)
Increase in creditors	87	1,301
Net cash provided by operating activities	2,581	6,550
Cash flows from investing activities		
Investment income	449	240
Distribution from joint venture	–	37
Proceeds from the sale of investments	6,747	17,708
Purchase of investments	(6,746)	(17,433)
Purchase of tangible fixed assets	(1,149)	(928)
Purchase of intangible fixed assets	(1,600)	(1,662)
Net cash used in investing activities	(2,299)	(2,038)
Cash flows from financing activities		
Repayment of borrowing	(212)	(423)
Net cash used in financing activities	(212)	(423)
Change in cash and cash equivalents in the reporting period	70	4,089
Cash and cash equivalents at 1 January	12,203	8,114
Cash and cash equivalents at 31 December	12,273	12,203

	At 1 January 2022 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 December 2022 £'000
Analysis of changes in net debt				
Cash and cash equivalents				
Cash in hand	2,758	(846)	–	1,912
Short term deposits	9,243	1,000	–	10,243
Cash held by investment manager for reinvestment	202	(84)	–	118
	12,203	70	–	12,273
Borrowings				
Debt due within one year	(212)	212	–	–
	(212)	212	–	–
Total	11,991	282	–	12,273

The accounting policies and notes on pages 28 to 51 form an integral part of these financial statements.

Principal accounting policies

For the year ended 31 December 2022

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) (second edition effective 1 January 2019), 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 revaluation of investments at market value.

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

The accounts are presented in sterling and are rounded to the nearest thousand pounds.

Basis of consolidation

The consolidated financial statements incorporate the results of The Institution of Civil Engineers ('the Charity') and its subsidiary undertakings, Thomas Telford Limited ("TTL") and The Institution of Civil Engineers (Hong Kong) Limited, on a line by line basis, after the elimination of intra-group transactions.

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.

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 made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Trustees have considered the key risks and uncertainties facing the Charity and regularly review budgets and forecasts, including cash flows, and other key performance indicators. Budgets and forecasts consider the mitigating actions the Charity can deploy and consider both immediate liquidity and longer term solvency, together with the impact on reserves.

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 are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due.

With regard to the next accounting period, the year ending 31 December 2023, 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.

Fund 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 asset as recognised in the accounts.

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 notes 26 to 28 of the accounts.

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. Government grant income for amounts claimed from HMRC under the Coronavirus Job Retention Scheme is accounted for in the period in which the associated salary payments are made to furloughed staff.

Legacies

Recognition of legacy income is dependent on the type of legacy. Pecuniary legacies are recognised when notification is received, and probate is granted. 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 recognised 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 Group 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

Expenditure on charitable activities is reflected in these accounts under five main headings:

- Membership and qualification
- Knowledge
- Policy and public affairs
- Regional activities
- Grants and scholarships

Expenditure on charitable activities includes both direct costs and 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 note 8 to the accounts.

Grants payable

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

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 Charity.

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, to the extent it is considered to be recoverable, 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 Tax 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. Investments in subsidiary companies are included at cost less any provision for impairment. Investments in non-charitable companies under a joint venture arrangement are included at fair value, which is the Group’s and/or Charity’s share of the net assets of the commercial company as at the balance sheet date.

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
Furniture, fixtures and equipment	5% to 20% per annum

Intangible assets

Software acquired from third parties is capitalised when it is probable that the expected future economic benefits that are attributable will flow to the Group and their costs can be reliably measured. 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; Pictures; and Other artefacts. An overview of the collections is set out in Note 15.

The printed works were valued for insurance purposes by item by L&J Gull in November 2017 and the pictures and other artefacts were valued for insurance purposes by Bonhams in December 2022. All assets are included on the balance sheet, at the values shown in Note 15. 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 are (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.

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 are amended where necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Valuation of heritage assets

The valuation of heritage assets is based on estimates provided by external professional valuers based on their experience and judgement. Further detail on heritage assets is provided with the heritage assets accounting policy above and within note 15.

Defined 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. In this context, significant judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 December 2019 has been used by the actuary in valuing the pension asset at 31 December 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset.

The scheme rules include instructions for dealing with any residual surplus in the scheme at the point of wind up and these make provision, in certain circumstances, for the return of a surplus to the Charity. Given there is a degree of uncertainty within the rules, significant accounting judgement is exercised in determining whether to recognise the pension scheme asset on the balance sheet, and, if applicable, in determining the value of the asset that is recognised.

The Trustees have reassessed the position of the scheme as at 31 December 2022, and have taken the decision to continue to derecognise the pension scheme asset on the basis that the amount of any residual surplus that may be returned to the Charity cannot be measured reliably, nor can the timing of the return of any residual surplus be estimated reliably given the potential remaining life of the scheme. Further details of this are set out in note 24.

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 8.

Notes to the financial statements

For the year ended 31 December 2022

1. Income from donations and legacies

Group	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
R&D Enabling Fund	–	100	100	–	106	106
Quest	–	463	463	–	548	548
Other donations	2	–	2	1	32	33
Government Grants	–	–	–	221	–	221
Overseas Government Grants	18	–	18	–	–	–
Legacies	17	1,237	1,254	46	20	66
	37	1,800	1,837	268	706	974

Charity	Unrestricted Funds £'000	Restricted funds £'000	Total 2022 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
R&D Enabling Fund	–	100	100	–	106	106
Quest	–	463	463	–	548	548
Other donations	2	–	2	1	32	33
Legacies	17	1,237	1,254	46	20	66
Gift aid donation from subsidiary undertaking	4,975	–	4,975	3,844	–	3,844
	4,994	1,800	6,794	3,891	706	4,597

2. Income from membership and qualification

Group and charity	2022 £'000	2021 £'000
Annual subscriptions	14,604	14,505
Professional development and admission	1,634	1,761
Other fees and service income	473	441
	16,711	16,707

All income from membership and qualification activities was unrestricted in both 2022 and 2021.

3. Income from trading activities

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Events and sponsorship	973	480	853	335
Rental income	136	136	975	1,092
Turnover generated by Thomas Telford Limited	19,118	14,937	–	–
Interest receivable	–	–	18	18
Other charges	129	–	28	–
	20,356	15,553	1,874	1,445

All income from trading activities was unrestricted in both 2022 and 2021.

4. Income from investments

Group and charity	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
Dividends from investments	209	55	264	187	49	236
Interest income	175	10	185	4	–	4
	384	65	449	191	49	240

5. Other income

Group and charity	Total 2022 £'000	Total 2021 £'000
Net interest on defined benefit pension scheme asset	229	110
	229	110

All other income was unrestricted in both 2022 and 2021.

6. Expenditure

Group	Direct costs £'000	Awards & grants £'000	Support costs £'000	Total 2022 £'000	Direct costs £'000	Awards & grants £'000	Support costs £'000	Total 2021 £'000
Raising Funds								
Trading activities	13,681	–	277	13,958	10,699	–	266	10,965
Investment managers fees	114	–	–	114	116	–	–	116
Joint venture	42	–	–	42	–	–	–	–
	13,837	–	277	14,114	10,815	–	266	11,081
Charitable Activities								
Membership and qualification	5,227	–	4,854	10,081	4,351	–	4,027	8,378
Knowledge	3,381	–	1,826	5,207	2,958	–	1,234	4,192
Policy and public affairs	1,852	–	845	2,697	1,188	–	538	1,726
Regional activities	3,519	–	997	4,516	2,581	–	1,084	3,665
Grants and scholarships	91	680	–	771	76	679	–	755
	14,070	680	8,522	23,272	11,154	679	6,883	18,716
	27,907	680	8,799	37,386	21,969	679	7,149	29,797

Charity	Direct costs £'000	Awards & grants £'000	Support costs £'000	Total 2022 £'000	Direct costs £'000	Awards & grants £'000	Support costs £'000	Total 2021 £'000
Raising Funds								
Trading activities	388	–	277	665	359	–	266	625
Investment managers fees	114	–	–	114	116	–	–	116
Joint Venture	42	–	–	42	–	–	–	–
	546	–	277	821	475	–	266	741
Charitable Activities								
Membership and qualification	5,229	–	4,854	10,083	4,351	–	4,027	8,378
Knowledge	3,381	–	1,826	5,207	2,958	–	1,234	4,192
Policy and public affairs	1,852	–	845	2,697	1,188	–	538	1,726
Regional activities	3,373	–	997	4,370	2,480	–	1,084	3,564
Grants and scholarships	91	680	–	771	76	679	–	755
	13,926	680	8,522	23,128	11,053	679	6,883	18,615
	14,470	680	8,799	23,949	11,528	679	7,149	19,356

7. Awards & grants

Group and charity	2022 £'000	2021 £'000
Research and Development grants	118	69
Into Civil Engineering scholarships	61	71
Queen's Jubilee Scholarship Trust	470	506
Trust Fund awards and prizes	31	33
	680	679

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

Group and charity	2022 No	2021 No
Research and Development grants – organisations	6	3
Into Civil Engineering scholarships – individuals	14	16
Queen's Jubilee Scholarship Trust – individuals	356	339
Trust Fund awards and prizes - individuals	79	85
	455	443

Grants made to organisations from the Research and Development Enabling Fund are as follows:

Organisation	Purpose	2022 £'000	2021 £'000
Bristol University	Papers and Letters (incomplete project)	(10)	–
Brunel University	Stainless steel reinforced concrete in fire – is spalling important?	–	20
Engineers Against Poverty	Building resilience through participation – Mapping interdependencies and climate-related risks of infrastructure systems in Uganda	3	–
Imperial College London	Beneficial use of scrap tyre rubber in UK road embankments: feasibility study	25	–
Liverpool John Moores University	Durability analysis of a cement free breakwaters developed using waste based geopolymer and recycled aggregate – an approach to decarbonise shore protection globally.	–	24
Strathclyde University	Concrete dams and sea walls assessment using two new Geophysical monitoring systems	25	–
University College London	SeeCarbon: Revealing and reducing infrastructure's carbon footprint in a digitally open, socio-technical way.	–	25
University of Oxford	Developing digital eyes and ears to monitor historic fibrous plaster ceilings	25	–
University of Southampton	Stainless steel hydrogen storage for net zero maritime transportation	25	–
University of Southampton	Hydrogen fuel as net zero route to future sustainable transportation	25	–
		118	69

8. Support costs

Group and charity	Premises costs £'000	IT costs £'000	Charity management costs £'000	Total 2022 £'000	Premises costs £'000	IT costs £'000	Charity management costs £'000	Total 2021 £'000
Membership and qualification	1,158	1,568	2,128	4,854	991	1,393	1,644	4,028
Knowledge	436	590	800	1,826	303	427	504	1,234
Policy and public affairs	202	273	370	845	132	186	219	537
Regional activities	32	479	486	997	35	558	491	1,084
	1,828	2,910	3,784	8,522	1,461	2,564	2,858	6,883
Trading activities	66	89	122	277	65	92	109	266
	1,894	2,999	3,906	8,799	1,526	2,656	2,967	7,149

The methods used to apportion overheads are as follows:

		2022 £'000	2021 £'000
Charity management costs			
Finance	Headcount	1,065	1,006
DB Pension Scheme expenses	Headcount	221	187
Human Resources	Headcount	752	446
Governance	Headcount	819	511
Depreciation and repairs	Estimated usage	1,049	817
		3,906	2,967
Premises costs	Headcount	1,894	1,526
IT costs	Headcount	2,999	2,656
		8,799	7,149

9. Net income

This is stated after charging:

	Group 2022 £'000	Group 2021 £'000
Depreciation of tangible fixed assets	1,039	1,017
Amortisation of intangible assets	357	380
Loss on disposal of tangible fixed assets	47	4
Loss on disposal of intangible assets	312	5
Auditors' remuneration		
Audit services	36	34
Non-audit services	6	20
Investment management fees	114	116
Amounts payable under operating leases		
Equipment	15	18
Property	185	184

10. Staff costs

	Group 2022 £'000	Group 2021 £'000
Wages and salaries	16,031	14,079
Social security costs	1,693	1,388
Pension costs	939	861
Temporary staff	559	153
	19,222	16,481

An amount of £60k (2021: £116k) paid out as redundancy or termination payments is included in wages and salaries above.

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

	Group 2022 No	Group 2021 No
Charitable activities	229	214
Trading activities	105	98
	334	312

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

	Group 2022 No	Group 2021 No
£60,000 - £70,000	22	15
£70,001 - £80,000	12	11
£80,001 - £90,000	6	4
£90,001 - £100,000	3	4
£100,001 - £110,000	4	4
£110,001 - £120,000	2	1
£120,001 - £130,000	1	1
£130,001 - £140,000	2	1
£140,001 - £150,000	1	4
£160,001 - £170,000	2	–
£180,001 - £190,000	1	1
£190,001 - £200,000	–	1
£200,001 - £210,000	–	–
£210,001 - £220,000	2	–
£220,001 - £230,000	–	1
£230,001 - £240,000	1	–

Pension benefits are accruing for 12 employees as a result of the salary link in the defined benefit scheme for those in the bandings above £60k (2021: 12). The scheme closed to future accrual on 30 November 2010. Pension payments to the defined contribution scheme for those in bandings above £60k totalled £251k (2021: £269k).

Key management personnel of 10 staff, two of whom were appointed and one of whom resigned during the year (2021: nine, one of whom was appointed and one of whom resigned during the year) received remuneration, including benefits and employer pension contributions, of £1,318k in the year (2021: £1,216k).

11. 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.

	2022 £'000	2021 £'000	2022 No	2021 No
Expenses reimbursed to or paid on behalf of Trustees	38	2	9	4

Directors' and Officers' Liability insurance has been purchased by the Group at a cost of £4k (2021: £12k).

12. Related parties

In addition to the transactions below, Trustees and Council Members use facilities of the Group on the same terms as other Members or external customers. This includes access to events, the purchase of goods or services, including the use of catering facilities. For the year ended 31 December 2022 and 31 December 2021 all such transactions with related parties are considered within the normal scope of transactions.

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. There were no related party transactions in which the individual had direct influence over.

Ed McCann was a trustee of the Institution until November 2022, and a Director of Useful Simple Limited. During the year, the Institution made a payment of £1,360 to Useful Simple Group Limited, a subsidiary of Useful Simple Limited, for the design and production of advertising materials (2021: £10,000 for the provision of research).

Liz Waugh is a trustee of the Institution and a director of Coast Communications & Marketing Limited. During the year the Institution made a payment of £283 (2021: £nil) to Coast Communications & Marketing Limited for costs incurred on the Institution's behalf related to website hosting. The expenses incurred were recharged to the Institution at cost.

The Trustees donated in aggregate £147 (2021: £95) to the Charity during the year. Of these amounts, £100 (2021: £60) was donated towards the Queen's Jubilee Scholarship Trust fund and £47 (2021: £35) was donated towards the Research and Development Enabling Fund.

13. Intangible assets

Group	Total 2022 £'000
Cost	
At 1 January 2021	6,680
Additions	1,678
Disposals	(686)
At 31 December 2021	<u>7,672</u>
Amortisation	
At 1 January 2021	4,022
Charge for the year	359
On disposals	(374)
At 31 December 2021	<u>4,007</u>
Net book value at 31 December 2022	<u>3,665</u>
Net book value at 31 December 2021	<u>2,658</u>

All intangible assets relate to computer software and licensed products.

Charity	Total 2022 £'000
Cost	
At 1 January 2021	4,121
Additions	1,319
Disposals	(290)
At 31 December 2021	<u>5,150</u>
Amortisation	
At 1 January 2021	2,411
Charge for the year	118
On disposals	(286)
At 31 December 2021	<u>2,243</u>
Net book value at 31 December 2022	<u>2,907</u>
Net book value at 31 December 2021	<u>1,710</u>

14. Tangible fixed assets

Group	Freehold property £'000	Fixtures, fittings & equipment £'000	Total 2022 £'000
Cost/valuation			
At 1 January 2021	38,187	5,351	43,538
Additions	748	296	1,044
Disposals	(892)	(163)	(1,055)
At 31 December 2021	<u>38,043</u>	<u>5,484</u>	<u>43,527</u>
Depreciation			
At 1 January 2021	12,579	3,539	16,118
Charge for the year	724	315	1,039
On disposals	(879)	(129)	(1,008)
At 31 December 2021	<u>12,424</u>	<u>3,725</u>	<u>16,149</u>
Net book value at 31 December 2022	<u>25,619</u>	<u>1,759</u>	<u>27,378</u>
Net book value at 31 December 2021	<u>25,608</u>	<u>1,812</u>	<u>27,420</u>

All Group assets are used in support of charitable or trading activities. Freehold property includes two assets. The Institution's headquarters, One Great George Street, and 8 Storey's Gate. There is no reasonable likelihood that either property 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	Fixtures, fittings & equipment £'000	Total 2022 £'000
Cost/valuation			
At 1 January 2022	38,187	4,547	42,734
Additions	748	273	1,021
Disposals	(892)	(87)	(979)
At 31 December 2022	38,043	4,733	42,776
Depreciation			
At 1 January 2022	12,579	2,929	15,508
Charge for the year	724	238	962
On disposals	(879)	(55)	(934)
At 31 December 2022	12,424	3,112	15,536
Net book value at 31 December 2022	25,619	1,621	27,240
Net book value at 31 December 2021	25,608	1,618	27,226

15. Heritage assets

Group and charity	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Valuation at 1 January	15,241	15,240	15,204	15,200	15,193
Additions	–	–	–	4	5
Donations	2	1	4	–	2
Revaluation	(2,109)	–	32	–	–
Valuation at 31 December	13,134	15,241	15,240	15,204	15,200
Printed works	6,947	6,947	6,947	6,947	6,947
Pictures and other artefacts	6,187	8,294	8,293	8,257	8,253
	13,134	15,241	15,240	15,204	15,200

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.

Description of the collection

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 a collection of over 250 paintings, including engineering portraits and those of other engineering related subjects.
- 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 collection is accessible to the public on request with most of the pictures on display throughout the building.

The printed works were last valued in November 2017 by L&J Gull and the pictures and other artefacts were revalued in November 2022 by Bonhams.

Preservation and management

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).

16. Fixed asset investments

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Listed investments	20,699	23,720	20,699	23,720
Investments in subsidiaries	–	–	301	301
Joint venture	46	88	46	88
	20,745	23,808	21,046	24,109

Listed investments

Group and charity	2022 £'000	2021 £'000
Listed investments		
Market value at 1 January	23,518	21,798
Acquisitions at cost	6,746	17,433
Disposals at book value (proceeds: £6,747k, realised losses: £693k)	(7,440)	(16,873)
Net unrealised investment (losses) gains	(2,243)	1,160
Market value at 31 December	20,581	23,518
Cash held by investment managers for reinvestment	118	202
	20,699	23,720
Historical cost at 31 December	21,709	21,765
Cumulative unrealised investment (losses) gains	(1,128)	1,753

An analysis of the market value of quoted investments at 31 December 2022 is as follows:

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000
Mutual Funds	14,519	1,615	2,601	18,735
Exchange Traded Funds	1,423	163	260	1,846
Cash	58	7	53	118
	16,000	1,785	2,914	20,699

Investments in subsidiaries

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Investments at cost	–	–	1	1
Long term loans	–	–	300	300
	–	–	301	301

Thomas Telford Limited

Thomas Telford Limited ("TTL"), a company incorporated in England and Wales (company registration number 02556636), is a wholly owned trading subsidiary of the Charity whose net profits are donated to the Charity under a Deed of Covenant. 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 operation of a job board.

At 31 December 2022 the Charity owned the entire issued share capital of 502 ordinary shares of £1 each in TTL. A summary of the results and the financial position of the company at 31 December 2022 is shown below.

Summary statement of income:	2022 £'000	2021 £'000
Turnover	20,865	16,369
Cost of sales	(3,979)	(3,009)
Gross profit	16,886	13,360
Other operating charges	(11,913)	(9,507)
Operating profit	4,973	3,853
Interest receivable	20	9
Interest payable	(18)	(18)
Net result	4,975	3,844
Gift Aid distribution to the charity	(4,975)	(3,844)
Profit for the year	–	–

Summary statement of financial position and retained earnings:	2022 £'000	2021 £'000
Fixed assets	887	1,136
Current assets	5,115	4,304
Current and non-current liabilities	(5,986)	(5,424)
Total net assets	16	16
Called up share capital	1	1
Retained earnings	15	15
	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.

The Institution of Civil Engineers (Hong Kong) Limited

At 31 December 2022 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 the results and the financial position of the company at 31 December 2022 is shown below.

Summary statement of income:	2022 £'000	2021 £'000
Income	598	532
Expenditure	(504)	(481)
Profit on ordinary activities before taxation	94	51
Income tax (charge) credit	5	(7)
Profit for the year	89	44

Summary statement of financial position and retained earnings:	2022 £'000	2021 £'000
Fixed assets	9	5
Current assets	387	310
Current liabilities	(6)	(13)
Total net assets	390	302
Retained earnings	390	302

Joint venture

The investment in the joint venture represents the Charity's investment in Structural-Safety Limited ("SSL"), a company incorporated in England and Wales (company registration number 11750936) on 4 January 2019. SSL is a company limited by guarantee and it has two members, the Institution of Civil Engineers and the Institution of Structural Engineers ("IStructE"). In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

A summary of the results and the financial position of the company at 31 December 2022 is shown below.

Summary statement of income:	2022 £'000	2021 £'000
Income	184	236
Cost of sales	(107)	(84)
Gross profit	77	152
Other operating charges	(161)	(138)
Profit on ordinary activities before taxation	(84)	14
Tax charge	–	–
Profit for the year after taxation	(84)	14

Summary statement of financial position and retained earnings:	2022 £'000	2021 £'000
Fixed assets	214	231
Current assets	210	93
Current liabilities	(332)	(148)
Total net assets	92	176

The total net assets are represented by retained net profits. The retained net profits are shared equally by the two partners. As such, the investment by the Charity as at 31 December 2022 comprises:

Group and charity	2022 £'000	2021 £'000
Investment at 1 January	88	118
Share of (losses) profits in the year	(42)	7
Gift aid distribution received	–	(37)
Investment at 31 December	46	88

17. Stocks

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Raw materials and consumables	32	31	–	–
Finished goods and good for resale	302	336	–	–
	334	367	–	–

18. Debtors

Amounts falling due within one year

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Trade debtors	3,064	3,093	567	585
Amount owed by subsidiary undertakings	–	–	–	207
Other debtors	355	208	281	191
Prepayments and accrued income	2,610	1,178	2,392	990
	6,029	4,479	3,240	1,973

Included within the amount owed by subsidiary undertakings is a loan of £300k (2021: £300k) to Thomas Telford Limited. Interest is payable on the loan and is calculated quarterly at the bank base rates ruling during the quarter or 6%, whichever is the greater.

19. Creditors: amounts falling due within one year

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Trade creditors	973	1,035	725	659
Amount owed to subsidiary undertakings	–	–	1,233	255
Taxation and social security	684	535	611	515
Other creditors	586	823	537	784
Accruals	2,193	1,728	1,032	807
Deferred income	7,410	7,732	3,987	4,589
Loan falling due within one year	–	212	–	212
	11,846	12,065	8,125	7,821

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Deferred Income				
Balance at 1 January	7,732	7,467	4,589	4,775
Amounts released from previous years	(7,300)	(7,467)	(4,589)	(4,775)
Resources deferred in the year	6,978	7,732	3,987	4,589
Balance at 31 December	7,410	7,732	3,987	4,589

Deferred income includes income from membership subscriptions, journal subscriptions, training, and catering and room hire received in advance.

20. Creditors: amounts falling due after one year

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Deferred income	499	432	–	–
	499	432	–	–

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
The loan is repayable as follows:				
Within one year	–	212	–	212
	–	212	–	212

In December 2010, the Trustees approved a loan for £4.0m with HSBC Bank plc for the refurbishment of Eight Storey's Gate. The term of the loan was eleven years which was to be repaid in equal monthly instalments until May 2022. Interest was incurred at 2.25% over the Bank of England Sterling Base Rate. The loan was secured by a first charge on the property at One Great George Street and has now been fully repaid.

21. Operating lease commitments

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

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Land and buildings				
Within one year	154	104	82	82
Between one and two years	76	21	4	21
Between two and five years	20	–	–	–
	250	125	86	103

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Equipment				
Within one year	8	8	7	7

At 31 December 2022 the Group had total commitments under operating leases of £258k (2021: £133k).

22. Contingent liabilities

The Group and Charity had no contingent liabilities at 31 December 2022 or 31 December 2021.

23. Capital commitments

At 31 December 2022 the Group and Charity had the following capital commitments in respect to the refurbishment of freehold property:

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Contracted for, but not provided in the financial statements	–	40	–	40

At 31 December 2022 the Group and Charity had the following capital commitments in respect to the development of computer software:

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Authorised, but not contracted	–	–	–	–
Contracted for, but not provided in the financial statements	526	699	526	687
	526	699	526	687

24. Pension Schemes

Defined benefit pension schemes

Benefits under the defined benefit pension scheme ("the 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.

Analysis of amounts charged to the statement of financial activities

	2022 £'000	2021 £'000
Components of pension cost		
Net interest income	(229)	(110)
Total pension income recognised in the statement of financial activities	<u>(229)</u>	<u>(110)</u>
Components of losses recognised in year		
Actuarial losses (gains) immediately recognised	2,747	(3,553)
Change in effect of net pension scheme asset ceiling	(2,393)	12,655
Total recognised actuarial losses	<u>354</u>	<u>9,102</u>

Reconciliation of the fair value of the Pension Fund assets and liabilities

	2022 £'000	2021 £'000
Amounts recognised in the balance sheet		
Present value of funded obligation	(30,850)	(47,315)
Fair value of plan assets	41,112	59,970
Derecognition of net pension scheme asset	(10,262)	(12,655)
	<u>-</u>	<u>-</u>
Change in benefit obligation		
Benefit obligation at 1 January	47,315	49,778
Interest cost	838	613
Benefits paid	(1,563)	(1,430)
Actuarial (gains) losses	(16,797)	(1,395)
Experience (gains) losses on liabilities	1,887	(184)
Changes to demographic assumptions	(830)	(67)
Benefit obligation at 31 December	<u>30,850</u>	<u>47,315</u>
Change in plan assets		
Fair value of plan assets at 1 January	59,970	58,270
Interest on assets	1,067	723
Actuarial gains (losses)	(18,487)	1,907
Employer contributions	125	500
Benefits paid	(1,563)	(1,430)
Fair value of plan assets at 31 December	<u>41,112</u>	<u>59,970</u>
Actual return on plan assets	<u>(17,420)</u>	<u>2,630</u>
Funded status and net amount recognised	<u>10,262</u>	<u>12,655</u>

The most recent triennial actuarial valuation as at 31 December 2019 showed a deficit of £2.0m.

Fund assets

The weighted average asset allocation at the year-end was as follows:

	2022 £'000	2021 £'000
Equities	–	7.6%
Corporate Bonds	48.5%	22.2%
Diversified Growth	–	7.3%
Liability-Driven Investment	26.5%	24.3%
Cash	25.0%	38.6%
	100.0%	100.0%

Principal Actuarial Assumptions

	2022	2021
Discount rate	4.75%	1.80%
Inflation (RPI)	3.40%	3.60%
Inflation (CPI)	2.70%	2.80%
Salary increases	3.20%	3.30%
Pension increases (RPI capped at 5%)	3.30%	3.40%
Pension increases (RPI capped at 5% with 3% floor)	3.60%	3.70%
Commutation	20% of total pension	
Life expectancy at age 65 of male aged 45	23.0	22.9
Life expectancy at age 65 of male aged 65	21.7	21.6
Life expectancy at age 65 of female aged 45	26.1	26.0
Life expectancy at age 65 of female aged 65	24.7	24.6

Mortality assumptions used in 2022 and 2021 are based upon 108% of the S3PMA tables for male members and 99% of the S3PFA series tables for female members. Future improvements are assumed to be in line with the CMI projection model, assuming improvements have peaked. The long-term improvement is assumed to be 1.25% per annum (2021: 1.25% per annum), with a default smoothing parameter reflecting a decline at older ages, a 0.25% (2021: 0.25%) initial addition, and weight parameter of 0%.

Five-year history

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Benefit obligation at 31 December	(30,850)	(47,315)	(49,778)	(46,616)	(43,363)
Fair value of plan assets at 31 December	41,112	59,970	58,270	52,607	47,529
Surplus for FRS 102 purposes	10,262	12,655	8,492	5,991	4,166
Derecognition of surplus	(10,262)	(12,655)	–	–	–
Net pension asset	–	–	8,492	5,991	4,166

Contributions

The Charity contributed £125k to the scheme in the year to 31 December 2022. Contributions to be paid to the scheme during the annual period beginning after the reporting period are expected to be £nil. In addition, administrative and other expenses of the Scheme and the Pension Protection Fund levy were 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 2022 was £918k (2021: £844k).

25. Analysis of net assets between funds

Group	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2022 £'000
Fixed assets	–	44,177	–	–	44,177
Investments	16,000	461	3,183	1,101	20,745
Current assets	7,260	8,986	2,272	–	18,518
Creditors: amounts falling due within one year	(7,983)	(3,722)	(141)	–	(11,846)
Creditors: amounts falling due after one year	–	(499)	–	–	(499)
	15,277	49,403	5,314	1,101	71,095

Charity	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2022 £'000
Fixed assets	–	43,281	–	–	43,281
Investments	16,301	461	3,183	1,101	21,046
Current assets	6,960	5,256	2,272	–	14,488
Creditors: amounts falling due within one year	(7,984)	–	(141)	–	(8,125)
	15,277	48,998	5,314	1,101	70,690

Comparative information for prior year:

Group	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2021 £'000
Fixed assets	–	45,319	–	–	45,319
Investments	18,368	560	3,623	1,257	23,808
Current assets	9,845	5,819	1,183	–	16,847
Creditors: amounts falling due within one year	(7,723)	(4,245)	(97)	–	(12,065)
Creditors: amounts falling due after one year	–	(432)	–	–	(432)
	20,490	47,021	4,709	1,257	73,477

Charity	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2021 £'000
Fixed assets	–	44,177	–	–	44,177
Investments	18,669	560	3,623	1,257	24,109
Current assets	9,545	1,967	1,183	–	12,695
Creditors: amounts falling due within one year	(7,724)	–	(97)	–	(7,821)
	20,490	46,704	4,709	1,257	73,160

26. Analysis of endowment funds

Group and charity	2022 £'000	2021 £'000
Opening balance at 1 January	1,257	1,152
Net investment (losses) gains	(156)	105
Closing balance at 31 December	1,101	1,257

Endowment funds comprise 41 separate Trust 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.

27. Analysis of restricted funds

Group and charity	1	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	31
	January 2022 £'000					December 2022 £'000
Shaping the World	27	–	(37)	10	–	–
Into Civil Engineering	148	2	(61)	–	–	89
Research and Development Enabling Fund	544	108	(118)	–	–	534
Innovation and Research Focus	24	–	–	–	–	24
Infrastructure Client Group	150	149	(136)	–	–	163
PAS 2080	–	30	(30)	–	–	–
David Butler Education & Inspiration Fund	48	–	(6)	–	–	42
Queen's Jubilee Scholarship Trust	2,958	495	(568)	–	(349)	2,536
The Michael Neale Scholarship Fund	–	1,237	–	–	–	1,237
Trust Funds	810	23	(46)	–	(98)	689
	4,709	2,044	(1,002)	10	(447)	5,314

Shaping the World

The Shaping the World initiative aims to bring together civil engineers across the globe with the aim of helping to alleviate the effects of major future challenges such as population growth and climate change and to ensure that future infrastructure is resilient, adaptable, and available to all. The restricted element of the money raised has now been fully expended.

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 2022, and there are plans to review the contingents in 2023.

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.

PAS 2080

The PAS 2080 fund represents grant funding received from the Infrastructure and Projects Authority to be used towards the development of a guidance document for the updated PAS 2080, Carbon Management in Infrastructure.

David Butler Education & Inspiration Fund

The David Butler Education & Inspiration Fund represents monies received to be used in developing interactive resources to extend the ICE's engagement with school children and young children, particularly in the 16-18 age range.

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.

The Michael Neale Scholarship Fund

The Michael Neale Scholarship Fund relates to monies due to be received from the estate of the late Mrs Nora Neale, the wife of the also deceased Mr Michael Neale. It is the deceased express wish that the funds will be used to promote or encourage members of the Institution to attend business courses at renowned British business schools which will lead to the awarding of MBA or other similar degrees, through the establishment of the "Michael Neale Scholarship".

Comparative information for prior year:

Group and charity	1 January 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	31 December 2021 £'000
Shaping the World	27	–	–	–	–	27
Into Civil Engineering	219	–	(71)	–	–	148
Research and Development Enabling Fund	507	106	(69)	–	–	544
Innovation and Research Focus	24	–	–	–	–	24
Infrastructure Client Group	117	158	(125)	–	–	150
David Butler Education & Inspiration Fund	112	32	(96)	–	–	48
Queen's Jubilee Scholarship Trust	2,721	597	(593)	–	233	2,958
Trust Funds	768	20	(45)	–	67	810
	4,495	913	(999)	–	300	4,709

28. Analysis of unrestricted funds

Group	1 January 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	31 December 2022 £'000
General fund	20,490	38,125	(35,258)	(5,805)	(2,275)	15,277
Designated funds						
Funds retained in subsidiaries	317	–	–	88	–	405
Funds retained in joint venture	88	–	(42)	–	–	46
Kenneth Watson Travel Award	472	5	(4)	–	(58)	415
Shaping the World	240	–	–	(10)	–	230
Fixed assets fund	36,376	–	(1,080)	2,293	–	37,589
Fixed asset commitments	727	–	–	(201)	–	526
Digital transformation fund	500	–	–	500	–	1,000
Estate maintenance fund	500	–	–	3,000	–	3,500
Revaluation reserve	7,801	–	–	–	(2,109)	5,692
Pension reserve	–	229	–	125	(354)	–
	67,511	38,359	(36,384)	(10)	(4,796)	64,680

Charity	1 January 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains / (losses) £'000	31 December 2022 £'000
General fund	20,490	24,600	(21,821)	(5,717)	(2,275)	15,277
Designated funds						
Funds retained in joint venture	88	–	(42)	–	–	46
Kenneth Watson Travel Award	472	5	(4)	–	(58)	415
Shaping the World	240	–	–	(10)	–	230
Fixed assets fund	36,376	–	(1,080)	2,293	–	37,589
Fixed asset commitments	727	–	–	(201)	–	526
Digital transformation fund	500	–	–	500	–	1,000
Estate maintenance fund	500	–	–	3,000	–	3,500
Revaluation reserve	7,801	–	–	–	(2,109)	5,692
Pension reserve	–	229	–	125	(354)	–
	67,194	24,834	(22,947)	(10)	(4,796)	64,275

General fund

The general fund totalling £15,277k (2021: £20,490k) 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 £125k (2021: £500k).

Funds retained in subsidiaries

This fund represents the net assets of the Group which are retained within the subsidiaries and which are not available to the Institution for its ongoing work.

Funds retained in joint venture

This fund represents the net assets of the Group which are retained within the joint venture, Structural-Safety Limited, and which are not available to the Institution for its ongoing work.

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

The Shaping the World fund comprises an amount designated by the Trustees towards the Shaping the World initiative. The initiative aims to bring together civil engineers across the globe with the aim of helping to alleviate the effects of major future challenges such as population growth and climate change and to ensure that future infrastructure is resilient, adaptable, and available to all. Funds are expected to be drawn on in future years to support work with the Institution's international partners.

Fixed assets fund

The fixed asset fund represents the net book value of the Charity's intangible fixed assets, tangible fixed assets and heritage assets, less the amount carried in the revaluation reserve. Transfers to the fund represent the cost of additions in the year. The fixed assets are essential to the ongoing work of the Charity, as without them the Charity'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.

The balance of this fund excludes the net book value of the fixed assets which are owned by subsidiary undertakings and which are included within the funds retained in subsidiaries.

Fixed asset commitments

This fixed asset commitments fund represents amounts designated towards capital commitments and which are not available to the Institution for its ongoing work.

Digital transformation fund

This fund represents amounts designated by the Trustees for future investment in improving and transforming the Institution's digital offering. An amount of £500k was designated to the fund during the year ended 31 December 2022. The fund will be drawn on as development takes place.

Estate maintenance fund

This fund represents amounts designated by the Trustees for redevelopment and major repairs of the Institution's estate. An amount of £3,500k was designated to the fund during the year ended 31 December 2022. The fund will be drawn on as the expenditure takes place.

Comparative information for prior year:

Group	1 January 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	31 December 2021 £'000
General fund	16,034	34,009	(27,949)	(3,155)	1,551	20,490
Designated funds						
Funds retained in subsidiaries	273	–	–	44	–	317
Funds retained in joint venture	118	7	–	(37)	–	88
Kenneth Watson Travel Award	432	4	(3)	–	39	472
Shaping the World	240	–	–	–	–	240
Fixed assets fund	34,878	–	(846)	2,344	–	36,376
Fixed asset commitments	1,423	–	–	(696)	–	727
Digital transformation fund	–	–	–	500	–	500
Estate maintenance fund	–	–	–	500	–	500
Revaluation reserve	7,801	–	–	–	–	7,801
Pension reserve	8,492	110	–	500	(9,102)	–
	69,691	34,130	(28,798)	–	(7,512)	67,511

Charity	1 January 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains / (losses) £'000	31 December 2021 £'000
General fund	16,034	23,524	(17,508)	(3,111)	1,551	20,490
Designated funds						
Funds retained in joint venture	118	7	–	(37)	–	88
Kenneth Watson Travel Award	432	4	(3)	–	–	472
Shaping the World	240	–	–	–	39	240
Fixed assets fund	34,878	–	(846)	2,344	–	36,376
Fixed asset commitments	1,423	–	–	(696)	–	727
Digital transformation fund	–	–	–	500	–	500
Estate maintenance fund	–	–	–	500	–	500
Revaluation reserve	7,801	–	–	–	–	7,801
Pension reserve	8,492	110	–	500	(9,102)	–
	69,418	23,645	(18,357)	–	(7,512)	67,194

29. 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 (2021: 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 2022 the funds held by the Institution had a combined balance of £668k (2021: £674k).

Council and main committees

Members of Council at the date of the signing of this report were:

Members of Council (2022-2023 session)		
	Keith Howells (President)	Ken Ho (Hong Kong)
	Anusha Shah (Senior Vice President)	Mark Jamieson (Middle East and Africa)
	Edward McCann (Immediate Past President)	Sarah Jones (Wales)
	Jeffrey Ashurst (North West)	Julian Lineham (Americas)
	Yvonne Aust (West Midlands)	Jose Lores (Europe and Central Asia)
	Rebecca Barkham	Phebe Mann (London)
	Edward Bingham (East Midlands)	Jim Martin
	Phillip Brown (Northern Ireland)	Elizabeth Orchard (East of England)
	Gillian Castka	Dr Priti Parikh
	David Coles	Lucy Rew
	Matthew Colton (Asia Pacific excl Hong Kong)	Steven Robertson (Scotland)
	Yuli Doulala-Rigby	Oana Sala
	Njemile Faustin	Daaoud Shafi
	Beth Griffiths	Ivor Thomas
	Tina Gunnarsson	Katy Toms (South West)
	Benjamin Hamer	Sally Walters
	Susan Hawkes (South East England)	Robert White
	David Hirst (Yorkshire and Humber)	Julie Wood
	Tim Harman	Graham Yates (North East)

The Chairs of the main standing and operational committees at the date of the signing of this report were:

Committee	
<i>Nominations</i>	Paul Sheffield
<i>Membership Committee</i>	Matt Colton
<i>Learning Society</i>	David Porter
<i>Policy and External Affairs</i>	Jonathan Spruce
<i>UK Regional Affairs</i>	Paula McMahan
<i>International</i>	Dr Sabih Khisaf
<i>Finance, Assurance and Risk</i>	Julie Wood
<i>Group Remuneration</i>	Professor Tim Broyd
<i>Audit</i>	Stephen Dellow (acting)