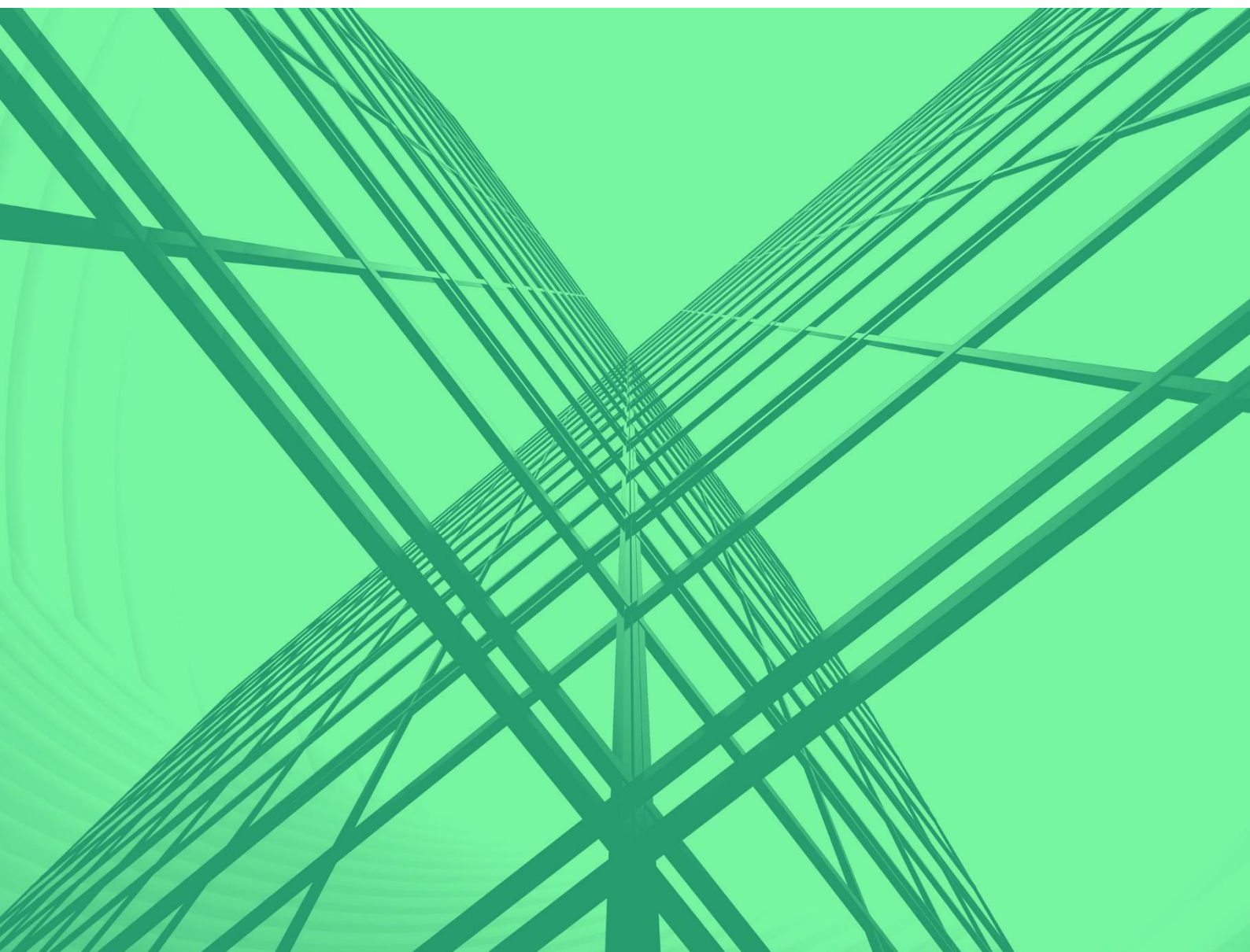


# ANNUAL REPORT AND ACCOUNTS

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For the year to 31 December 2023



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- ▶ Email: [mail@istructe.org](mailto:mail@istructe.org)
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- ▶ Charity Registered in England & Wales No 233392 and in Scotland No SC038263

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## 1. Introduction

The Institution is a registered charity, registered and regulated by the Charity Commission in England and Wales (“the Charity Commission”), and the Office of the Scottish Charity Regulator (“OSCR”).

The Institution’s Trustee Board (whose members are the Trustees of the Charity) submits its annual report and accounts for the Institution of Structural Engineers for the year ended 31 December 2023. In preparing the report, the Trustee Board has complied with the Charities Act 2011 (and any new provisions in force from the Charities Act 2022), the Charities and Trustee Investment (Scotland) Act 2005, the Statement of Recommended Practice – Accounting and Reporting by Charities (2019) (‘SORP’) and applicable accounting standards.

## 2. Objects and Activities

### 2.1 Objects

The Institution’s objects, which are laid down in its Royal Charter are;

*to promote for the public benefit the general advancement of the science and art of structural engineering in any or all of its branches and to facilitate the exchange of information and ideas relating to structural engineering amongst members of the Institution and otherwise.*

### 2.2 Aims

The Institution’s aim is to accredit and support a corps of highly qualified structural engineers for the safe, sustainable, effective, and efficient design, construction, adaptation, maintenance and refurbishment of buildings, bridges, and other structures throughout the world.

### 2.3 Main Activities

The Institution, in furtherance of its objects to promote for the public benefit the general advancement of the art and science of structural engineering, continued to maintain and disseminate information and ideas on structural engineering to its members. Activities were focussed on:

- ▶ Maintaining high standards of professional qualifications for structural engineering.
- ▶ Assisting members to maintain and enhance their professional competence.
- ▶ Fulfilling the Institution’s learned society role.
- ▶ Promoting the Institution and the profession of structural engineering.
- ▶ Ensuring on-going value for money and efficiency in the management of the Institution’s affairs.
- ▶ Valuing members’ voluntary time in supporting the activities of the Institution and utilising that support as effectively as possible.

## 2.4 Objectives for 2023

The objectives for 2023 included:

- ▶ To continue to invest in activities aligned with the Institution's vision of Competence, Communities, and Inclusivity.
- ▶ The continuation of investment in responding to the climate and biodiversity emergency
- ▶ To continue to contribute to the Building Safety Act including the development of a range of support materials and events for members.
- ▶ The development of a Structural Competence Register in relation to Higher Risk Buildings and to develop protocols for re-validation of competence.
- ▶ To continue the promotion of CROSS both in the UK and globally and to explore opportunities to further expand the initiative internationally and to embrace other engineering sectors.
- ▶ Delivery of those elements of the governance review agreed by the Trustee Board and further review of the Institution's proposals to improve governance arrangements and the regional group structures, set out in "Structured for Success".
- ▶ To progress the Business Transformation Project through further website development and integration work.
- ▶ To continue to support membership engagement and growth through:
  - ▶ the promotion of AIStructE and Affiliate providing more accessible routes to, and between, grades of membership.
  - ▶ further development of more accessible assessment methodologies.
  - ▶ continue to promote GIStructE & the Certificate in Structural Behaviour.
  - ▶ establish an office base and provide full "Structured for Success" support in Hong Kong.
  - ▶ re-vitalising our important relationship with the People's Republic of China.
- ▶ The continued provision of new CPD content, including conferences, CPD courses and publications, both in-person and online events.
- ▶ Further improving equality, diversity and inclusivity across the Institution's Trustee Board, Council, Committee and Panel structures.
- ▶ The appointment of a new Trustee Board Chair.
- ▶ The continued development of collaborative relationships with international organisations to enable shared access to technical/educational material.
- ▶ A review of the existing model of The Structural Awards event considering the new criteria introduced in 2022.
- ▶ Close-out Defined Benefits pension scheme and implement changes to Defined Contributions pension scheme.

## 2.5 Public Benefit

### 2.5.1 Benefits from aims

The general public throughout the world benefit from a safe and well-designed infrastructure provided by the highly skilled members of the Institution. This has a knock-on effect benefitting the world economy by providing employers with employees (who are Institution members) having an internationally recognised specialist professional qualification.

Public benefit is also gained from the ongoing professional support provided to members to keep their knowledge and skills up to date and relevant.

### 2.5.2 Membership benefits

The Institution is a membership organisation and members' annual subscriptions form a significant part of the Institution's income, which is used to fund its activities for the public benefit. Members themselves receive benefits through the Institution's dissemination of knowledge and best practice, and from their membership of a professional body with high standards of entry and continuing membership. However, it is only with and through its members that the Institution can continue to fulfil its objects and provide benefit to the public as a whole.

### 2.5.3 Charity Commission and OSCR Guidance

The Trustee Board has regard to guidance on public benefit published by the Charity Commission and that by the OSCR, when exercising its powers and duties and where such guidance is relevant. The Trustees have considered the Charity Commission's and OSCR's general guidance on public benefit and have taken it into account when reviewing the Institution's aims and objectives and in planning its future activities.

## 3. Achievements and Performance

### 3.1 Overall Review

2023 saw the Institution making good progress in support of the Trustee Board approved strategy. From April 2023, the Institution's newly appointed Chief Executive took office following the resignation of Martin Powell (Chief Executive from 2009 – March 2023) and the following objectives set for 2023 were accomplished:

- ▶ During the year the Institution continued its collaboration with other professional bodies around the world including other professional engineering institutions, the Engineering Council, the Royal Academy of Engineering (RAEng) and the Construction Industry Council (CIC) on matters of mutual interest.
- ▶ Structural safety remains at the heart of the Institution's mission and significant work has been undertaken to support members and the wider profession following the introduction of the Building Safety Act 2022 (BSA) and its full implementation in October 2023. Development of resources and activities to prepare members for the introduction of the Act was a major element of work for the Institution throughout 2023 in particular:
  - ▶ The publication of material to support members to prepare for the implementation of the new Act, including content produced in collaboration with other engineering institutions and organisations.

- ▶ The curation and delivery of a Building Safety Act Conference with Dame Judith Hackitt as a key-note speaker.
- ▶ A series of workshops on Safety Cases, the Golden Thread and Gateways have been held to inform future guidance on these elements of the BSA.
- ▶ Continued promotion of the requirement for members to undertake CPD in structural safety as part of their mandatory CPD obligation.
- ▶ The completion of the DLUHC project to expand CROSS into Fire Engineering and the award of a contract from the Building Safety Regulator to run a Voluntary Occurrence Reporting System in accordance with Building Safety Act requirements.
- ▶ Work to support the newly established Building Safety Regulator (BSR) to determine what the regulator requires from a Voluntary Occurrence Reporting System in the longer-term.
- ▶ Working in collaboration with the Institution of Civil Engineers to establish the entry standard for the High-Risk Building (HRB) Structural Assessment.
- ▶ Work with the ICE to develop protocols and governance arrangements to administer assessments for admission to the HRB Structural Register.
- ▶ The IStructE was heavily involved in the 2023 media coverage of Reinforced Autoclaved Aerated Concrete (RAAC), with the President being interviewed on several occasions in the national press.
- ▶ Publication of updated RAAC guidance.
- ▶ The curation and delivery of a webinar on RAAC generating a record amount of interest and engagement from our members.
- ▶ Engagement with the Cabinet office, Department for Education, Scottish Parliament and CLC.
- ▶ The Institution continued to invest significant resources in responding to the climate and biodiversity emergency. Through its Senior Engineer for Climate Action and the work of the Climate Emergency Task Group (CETG), the Institution continues to make a major impact, and progress, both in support of learning and development within our profession via internal programmes and in collaborative activities across a range of cross-sector initiatives, including:
  - ▶ Publication of the 2022 Climate Action report.
  - ▶ Continued collaboration, including technical and governance work, with the Green Building Council (and others) to develop a Net Zero Carbon Buildings Standard.
  - ▶ IStructE participation and collaboration with several partners including the Emirates Green Building Council at COP28 in Dubai.
  - ▶ Development of guidance for members in relation to climate related CPD.
  - ▶ The continued development of materials, exchange forums and events to support members.
- ▶ The continued promotion and raising awareness of the IStructE Code of Conduct to members and the public, setting out the professional behaviour we expect of our members beyond technical and engineering competence, including obligations towards sustainability and equity, diversity, and inclusion.
- ▶ During the year the Institution's Trustee Board focussed on the key priority areas in relation to the modernisation of the Institution's governance identified by 'Structured for Success (S4S)' including:
  - ▶ Regulation changes to reflect the recent Bye-Law changes (IMIStructE, AStructE, Affiliate) and the changes brought about by the S4S Regional Group transition.

- ▶ The election of Vice Presidents from established worldwide electoral regions.
- ▶ The election of Council members to the Institution's Nominations Committee.
- ▶ New UK pilot Regional Group elections, working closely with the pilot Regional Groups to establish the election process and to implement appropriate transitions from Hub Committees to Regional Group Committees. The election process has been developed to ensure continuity for the new Regional Groups whilst introducing a consistent, transparent, election process.
- ▶ The production of a series of Trustee videos for use in targeted marketing campaigns to encourage members to stand for, and vote in, elections.
- ▶ Delivery of targets set out in relation to developing our credentials as an inclusive Institution.
- ▶ The establishment of an IStructE Hong Kong office to support the local region.
- ▶ The appointment of a new Trustee Board Chair (from January 2024).
- ▶ The Institution continued to support membership engagement and growth.
  - ▶ The launch of new IPD (Initial Professional Development) Regulations for Chartered membership.
  - ▶ The promotion of the titles Incorporated-Member (IMIStructE), Associate (AIStructE) and Affiliate.
  - ▶ The continued promotion of the "GIStructE" designation to graduate members who have successfully completed the Certificate in Structural Behaviour.
  - ▶ The development of standards and protocols to assess Institution members who wish to register with the Society for the Environment and use the Chartered Environmentalist (CEnv) title and designation.
- ▶ The Digital Business Transformation Project continued, including:
  - ▶ Further website development and integration work.
  - ▶ Further investigations and planning for the overhaul and upgrade of AV systems at Bastwick Street.
  - ▶ Preliminary Discovery work for the new Structural Engineer Registration Ltd web platform.
  - ▶ Development of the Community Platform project.
- ▶ The continued adaptation of the Institution's learning and development provision to include:
  - ▶ 70 CPD courses, including four new courses including "Structural engineering for non-structural engineers" and "Influencing and leadership skills".
  - ▶ Webinars continue to attract good numbers, including over 1000 attendees at an event providing an overview of the Building Safety Act for structural engineers in association with law firm Birketts.
  - ▶ Four free or low-cost conferences including:
    - ▶ The Young Engineer's Conference which focused on sustainability.
    - ▶ The Annual Academics Conference.
    - ▶ Structural Engineers Declare Hybrid Conference.
    - ▶ Reuse of existing buildings.
  - ▶ The Curation and delivery of lectures including:
    - ▶ The Champlain Towers collapse.

- ▶ FiBUK (International Federation for Structural Concrete).
- ▶ EEFIT (Earthquake Engineering Field Investigation Team).
- ▶ Three publications including:
  - ▶ Structural use of fibre polymer composites.
  - ▶ Car park design guidance which received extensive coverage in the UK and abroad and received the Special Jury Award for its Car park design guidance at the 2023 British Parking Awards.
  - ▶ Circular economy and reuse guidance which also received extensive coverage in the UK and abroad.
- ▶ Structures research journal continues to receive significant numbers of submissions (with a rejection rate above 70%).
- ▶ Learned Society events included: nine online evening lectures, Presidential Address, Annual General Meeting and Gold Medal Address.
- ▶ The Institution's wholly owned trading subsidiary Structural Engineers Registration Ltd (SER) operates Schemes of Certification of Design (Building Structures) under the Building (Scotland) Act 2003 for the Scottish Government Building Standards Division, and a similar Scheme for the States of Jersey. 2023 saw a slight reduction in certificate numbers (20,547) compared with 2022 (23,099) and 2021 (24,904).
- ▶ The Institution's Regional Groups (17 UK RGS and 12 International RGS) continued to meet regularly on-line and in person where possible. Regional Groups continued throughout 2023 to:
  - ▶ provide quality CPD and interesting lectures for members.
  - ▶ assist with the assessment and processing of membership applications in their region.
  - ▶ engage with universities and schools to promote the importance of the profession and the Institution.
  - ▶ provide representation on the Institution's Council, committees, panels and study groups.

## 4. Financial Review

### 4.1 Trustees' Responsibilities for the accounts and financial statements

The Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005, requires the Trustees to prepare financial statements for each financial year which give a true and fair value of the state of affairs of the charity at the end of the year and of the incoming and outgoing resources for the year then ended.

In preparing those financial statements, the Trustees are required to select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent. The Trustees must also prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charity will continue its activities.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act



2005. The Trustees are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are satisfied that these requirements are being met.

## 4.2 Review of the year

The Group posted a surplus for the year ended 31st December 2023 of £89.7k (2022: £592k). Total Group income was £8.9m (2022: £8.6m), with £5m (2022: £5m) coming from members' subscriptions and qualification fees and £3.9m (2022: £3.6m) from other sources including trading subsidiaries. Repayments on the mortgage (circa 11% of asset value) taken to fund the redevelopment of the building in Bastwick Street in 2014 and to support capital projects (including the ongoing Digital Transformation project), were fully discharged within the forecast cash flow parameters agreed by the Trustee Board and the Institution's bankers.

Some 57% of the Institution Group's income comes from membership and qualification activities; 2% from advertising and online income from The Structural Engineer; 16% from the trading activities of SER; 11% from publications sales, courses and conferences. The remaining 14% was derived from a range of activities across the charity and trading companies.

## 4.3 Reserves

At the end of 2023, the Institution had total Unrestricted Reserves of £11.6m. The majority of these are Designated Funds (£6.4m), in particular the Bastwick Street Fund (£4.5m), with General Funds of £5.2m. The remaining funds are made up of Restricted Funds of £263k and Permanent Endowment Funds of £33k.

The Institution uses two tests to monitor the adequacy of its Reserves – Free Reserves and Free Cash Reserves:

- Free Reserves are calculated using the total Unrestricted Funds, less Designated Funds (excluding the Bastwick Street Fund and the Mortgage Repayment Fund) and Fixed and Intangible Assets, adding back the loan used for the redevelopment of Bastwick Street. The Free Reserves position is monitored on an annual basis to ensure it is adequate and is in line with the Institution's operational requirements at that time.

As at 31 December 2023, the Institution had Free Reserves of £2.2m (the comparable 2022 figure was £1.9m).

- The Free Cash Reserves policy was set in 2019 with the target that our free cash balances, representing the Institution's bank accounts excluding those held for restricted purposes, should be equivalent to three months of expenditure, currently approximately £2.2m.

The minimum free cash balance figure during 2023 was £4.6m which is substantially higher than the target set by the Trustee Board. With the advance receipt of subscriptions for 2024, Free Cash Reserves were £5.7m as at 31st December 2023.

## 4.4 Funds

The Institution's restricted and designated funds are described in notes 18 and 19 to the Financial Statements, respectively.

The Trustee Board decides on a year-by-year basis the amounts that are placed in each designated fund and monitors actual income and expenditure against the operating forecast.

## 4.5 Final Salary Pension Scheme

The Institution has, in prior years, contributed to the Institution of Structural Engineers (1973) Pension and Life Assurance Scheme ('the Scheme') at rates set by the Scheme Actuary and as advised to the Trustees by the Scheme Administrator. In accordance with FRS102, the Scheme is accounted for as a defined benefit scheme.

In the period to November, 2021, the Institution concluded a Buy-in arrangement with Legal & General ('L&G') which resulted in the Scheme's assets being transferred to L&G. The transferred assets comprise the insured annuities for the value of member benefits under FRS102. At this point, L&G assumed responsibility for making the payments due to the members of the Scheme, with the Institution retaining the legal responsibility for the payment of all member benefits.

The Institution is working with L&G and the Scheme members to agree a Buy-out arrangement where the members will have a direct legal relationship with L&G who will then take responsibility for paying pensions directly to each individual Scheme member. It is expected that this buy-out arrangement will be concluded in 2024.

With the completion of the Buy-in:

- effective December 2021 the Institution has made no further contributions into the Scheme, although it continues to meet the costs of administering and operating the Scheme;
- and, in line with the accounting policy adopted in last year's financial statements for the year ending December 31, 2021, the Institution has chosen not to recognise within its Balance Sheet any deficit or surplus on the Scheme calculated under FRS 102.

In addition, within Designated Funds, the Institution holds an Employee Pensions Fund of £59.6k (2022 £157.3k) to cover the ongoing costs of the Scheme including the cost of completing the Buy-out arrangement.

Full information on the Final Salary Pension Scheme is given in Note 22 to the Financial Statements.

## 4.6 Grant making policy

### 4.6.1 The Institution and Regional Group Awards

As a learned society, the Institution has a vision to lead, support and nurture the development of structural engineering worldwide by upholding high standards, building knowledge communities, and promoting structural engineering. In furtherance of this vision the Institution encourages its members to pursue excellence in their work and contribution to the profession and wider society. The Institution celebrates outstanding contributions from structural engineers and awards are given each year to members and non-members for the technical papers, presentations at meetings in the regional groups, for the best students at higher educational establishments in regional areas, and for newly built/refurbished structures. Each of these award winners receive a certificate. Some also receive a plaque or a financial reward (in the £50-£200 range).

## 4.6.2 Research Fund

The Institution's Research Fund (administered by the Research Panel, which reports to the Structural Futures Committee) makes grants to support research in structural engineering in both industry and academia, including at undergraduate and master's level. It also supports young researchers through the annual Young Researchers' Conference.

# 5. Plans for Future Periods

## 5.1 Long and medium-term strategy

The Institution Trustee Board approved a strategy to guide its direction of travel from 2015 to 2020 and to inform the longer-term period to 2025. The strategy is supported by a rolling 5-year business plan. In summary the strategy is two-fold:

- ▶ An Institution committed to competency.
- ▶ An Institution founded on communities.

As a long-term strategy, the Institution has a vision that consolidates its existing position as the leading international specialist professional body for structural engineers committed to supporting the wellbeing of society through activities that assist structural engineers acquire, maintain, and develop the necessary competencies to practice.

The Institution has also identified engineering themes that it can champion to promote dialogue both internally and externally with audiences that extend beyond its own current constituency of structural engineers. The broad areas of interest are:

- ▶ Safety of society.
- ▶ Sustainability of society and the Climate Emergency.
- ▶ Value to society.

The Institution's continued major programme of digital transformation is a critical component of connecting a worldwide cohort of engineers. Development of the Institution's web platforms increases the ability to access and share relevant information between member communities that may be founded on areas of common interest, need and expertise.

## 5.2 Looking ahead to 2024

The Trustee Board has endorsed a programme of objectives for 2024 in support of the strategic plan. These include the following activities:

- ▶ The continuation of investment in responding to the climate and biodiversity emergency.
  - ▶ The evaluation and implementation of an internal action plan, continuing to set and raise standards, and adding to the suite of guidance notes and tools to support the profession worldwide.
  - ▶ The continuation of the collaborative venture with industry partners, including the development of a Net Zero Carbon Buildings Standard for the UK.
  - ▶ The continuation of policy work to drive demand for the regulation of the "embodied" carbon emissions related to the production and use of construction materials.

- ▶ To continue to contribute to the Building Safety Act including the development of a range of support materials and events for members, the development of a Structural Competence Register and to develop protocols for re-validation of competence.
- ▶ To continue the promotion of CROSS in the US (CROSS-US) and Australasia (CROSS-AUS) and explore opportunities to further expand the initiative internationally and to embrace other engineering sectors.
- ▶ To develop plans in collaboration with the Institution of Civil Engineers in respect of “Cross-future”
- ▶ Delivery of those elements of the governance review agreed by the Trustee Board and further review of the Institution’s proposals to improve governance arrangements and the regional group structures, set out in “Structured for Success” including:
  - ▶ The roll-out of the transition for all UK Regional Groups following the pilot phase in 2023.
- ▶ To progress the Business Transformation Project through the utilisation of the new CRM and further website development and integration work, including:
  - ▶ the roll-out of the first wave of Community Platforms.
  - ▶ completion of the installation of A/V upgrade equipment.
  - ▶ SER web platform rebuild.
- ▶ To continue to support membership engagement and growth through:
  - ▶ the continued promotion of all membership grades providing more accessible routes to, and between, grades of membership.
  - ▶ review of the Institution's examinations to ensure they remain fit for purpose and reflect developments in the profession e.g. use of digital tools
  - ▶ consideration of the membership value proposition globally, in particular different subscription models.
  - ▶ The drafting of revised Core Objectives for Incorporated Membership and Technician membership.
- ▶ The bi-annual review of Disciplinary Regulations and rules.
- ▶ The continued provision of new CPD content, including conferences, CPD courses and publications, both in-person and online events.
- ▶ The continued development of collaborative relationships with international organisations to enable shared access to technical/educational material.
- ▶ Further improving equity, diversity and inclusivity across the Institution’s Trustee Board, Council, Committee and Panel structures.
- ▶ Close-out Defined Benefits pension scheme and implement changes to Defined Contributions pension scheme.

## 6 Structure, Governance and Management

### 6.1 Organisational Structure

The Institution was founded in 1908 and was incorporated by Royal Charter on 4 May 1934; the current Supplemental Charter, with associated Bye-laws, was granted on 1 December 2004. The Charter empowers the Trustee Board to make Regulations relating to the Institution and for the conduct of members. They are kept under review and were last amended during 2023.

The Institution's activities are conducted through the Institution itself and also through its two wholly owned subsidiaries - IStructE Ltd and Structural Engineers Registration Ltd (SER).

Structural Safety Ltd (SSL), jointly owned with The Institution of Civil Engineers, brings together the activities of SCOSS (Standing Committee on Structural Safety) and CROSS (Collaborative Reporting on Safer Structures).

To support its international development activities, the Institution has legal entities registered in Hong Kong and the United Arab Emirates. IStructE (Asia-Pacific) Limited and IStructE FZ LLC respectively.

Collectively all these companies are referred to as 'the Institution Group'.

Authority to conduct the day-to-day operations of the Institution is delegated by the Trustee Board to the Chief Executive, who is responsible to the Trustee Board for the efficient running of the Institution and for the implementation of policies and strategies. The Chief Executive and the Deputy Chief Executive along with the Trustee Board Secretary, work with and support the Trustee Board in the fulfilment of their obligations as Trustees. The Senior Management Team (SMT) supports the Chief Executive and has operational and delivery responsibility for the Institution's membership, product, and services activities.

Council (which includes members elected by, and from, Chartered and Incorporated Structural Engineers, Associates, Technician Members and Graduates worldwide, as well as regional group Chairs, representatives from the Headline Committees and other co-optees) support the Trustee Board in determining the core values and strategic aims of the Institution. Although its role is essentially advisory and consultative, it debates and influences policies, offers advice to the Trustee Board, and, in each year where elections take place, it elects the President and President-Elect and elects Council members to the Nominations Committee.

### 6.2 Governance

The Trustee Board Chair is chair of the Board of Trustees, which comprises 11 other members including ex officio the President. Vice-Presidents are elected from 5 world electoral regions and serve a term of three years; other members of the Trustee Board are elected by and from the world-wide voting membership. Each year, Council ratifies the recommendations made by the Nominations Committee for those standing for election for Vice-President, Trustee Board Member and Ordinary Member of Council.

The Trustee Board may invite specialist advisers to attend, and relevant members of the Senior Management Team also attend. Such persons do not thereby become members of the Trustee Board and may not vote on any matter to be decided by it.

The Institution's 'session' commenced on 1 January 2023; when the incoming Trustee Board Chair, President and members of the Trustee Board, the Council and committees took office. The session ran to 31 December 2023. At the first meeting of the session, Trustee Board members received training in trusteeship.

At the end of the session, the Trustee Board members self-evaluated their individual performance during the year and that of the Trustee Board. The collective output was discussed by the Trustee Board and as necessary, action plans developed so that improvements may be affected.

## **6.3 Management**

### **6.3.1 Committee and Panels**

The committee structure is shown on page 14.

The Membership Committee advises on policy with regard to membership of the Institution, including setting and maintaining standards to qualify structural engineers globally.

The Education Committee advises on policy concerning school and university education for potential members and throughout member's careers.

The Engineering Leadership Group advises on policy concerning technical matters related to structural engineering. It is assisted in this task by four topic head committees.

The Resources Committee assesses and reviews the Institution's resources needs (finance, staff and premises).

The Professional Conduct Committee keeps the code of conduct, guidance notes and disciplinary procedures under review, and investigates allegations of misconduct made against members and also misrepresentations relating to Institution membership.

The Nominations Committee makes annual recommendations to the Council concerning the election of the President, President-Elect and co-options to Council, and also the appointment of Past-President to Council. The Committee is responsible for the appointment of the Trustee Board Chair, and it also adjudicates on Institution Awards made to individuals.

Panels, which deal with specific areas of activity, report as shown on page 14.

### **6.3.2 Regional Groups**

Institution members throughout the world, where there are sufficient concentrations of members, are allocated to regional groups. Such regional groups are run by committees, which arrange learned society, continuing professional development and networking events, to complement those organised by the Institution centrally. Each group has regulations for its governance, which have been approved by the Trustees. The financial activities of these groups form part of the 2023 annual statement.

### **6.3.3 Staff**

The average number of staff employed during the year to 31 December 2023 was 65 (a slight increase on the average number of 62 staff employed during 2022). The staff organogram is on page 15.

The staff have adopted the following mission statement as the focus of their aspirations:

*We provide a professional platform for all in the field of Structural Engineering to share their technical expertise and knowledge with each other in an efficient and effective manner. We help lead professional excellence in the field of Structural Engineering by supporting the development of members and championing public safety worldwide.*

All staff receive an induction into the organisation and access to ongoing learning and development activities which supports their own continuing professional development.

Staff are rewarded with a market comparable pay and benefits package.

### **6.3.4 Pay and remuneration of key management personnel**

As part of the annual operating plan and budget review, the Trustee Board approves an inclusive percentage uplift for annual salaries that is based on affordability; benchmark assessments to reflect the sector; the Institution's central London location and Government published national statistics. Against the approved criteria, the Chief Executive approves individual increase awards.

The Chief Executive's remuneration is assessed separately by a panel, comprising the Trustee Board Chair, the President, and immediate Past-President, against criteria that includes benchmark and trend information compiled by the Institution's Head of HR and performance objectives that have been agreed between the Trustee Board Chair, President, and the Chief Executive.

### **6.3.5 Volunteers**

All members of the Trustee Board, the Council, committees, panels, task groups, advisory groups, and study groups (as well as members serving the Institution on regional group committees and acting in other capacities) are volunteers, numbering an estimated 750 individuals. Additionally, an extensive network of members contributes in authorship and editorial roles. Around 20 members act as Institution representatives in countries outside the United Kingdom where there is no regional group; and circa 50 members serve on committees of the British Standards Institution, construction and engineering technical organisations, and educational institutions. This represents considerable commitment and input to the profession, mainly by senior members, which is to the public benefit as well as that of the Institution itself.

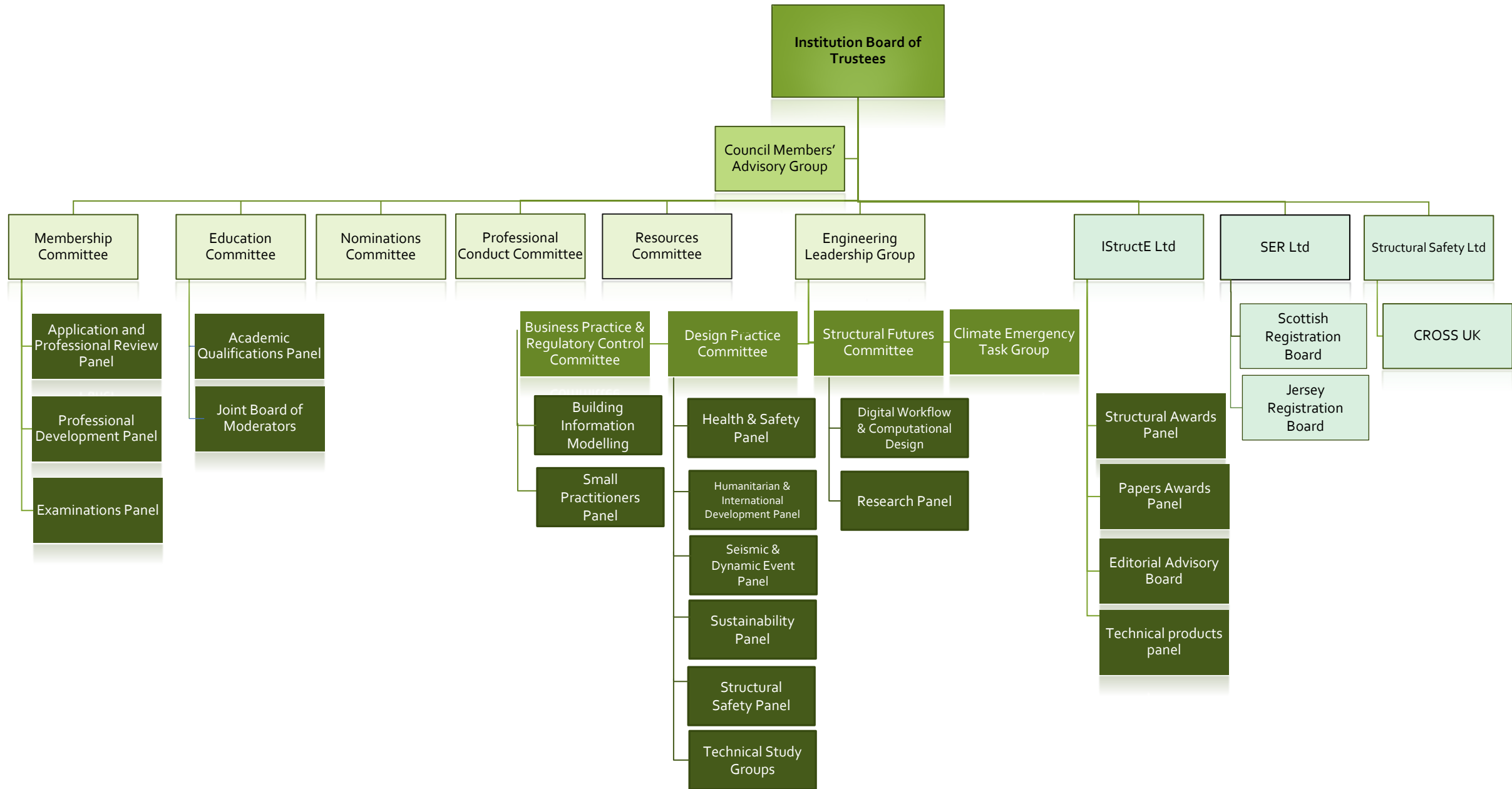
### **6.3.6 Subsidiary Companies**

The Institution's subsidiary companies are listed in note 9 to the Financial Statements.

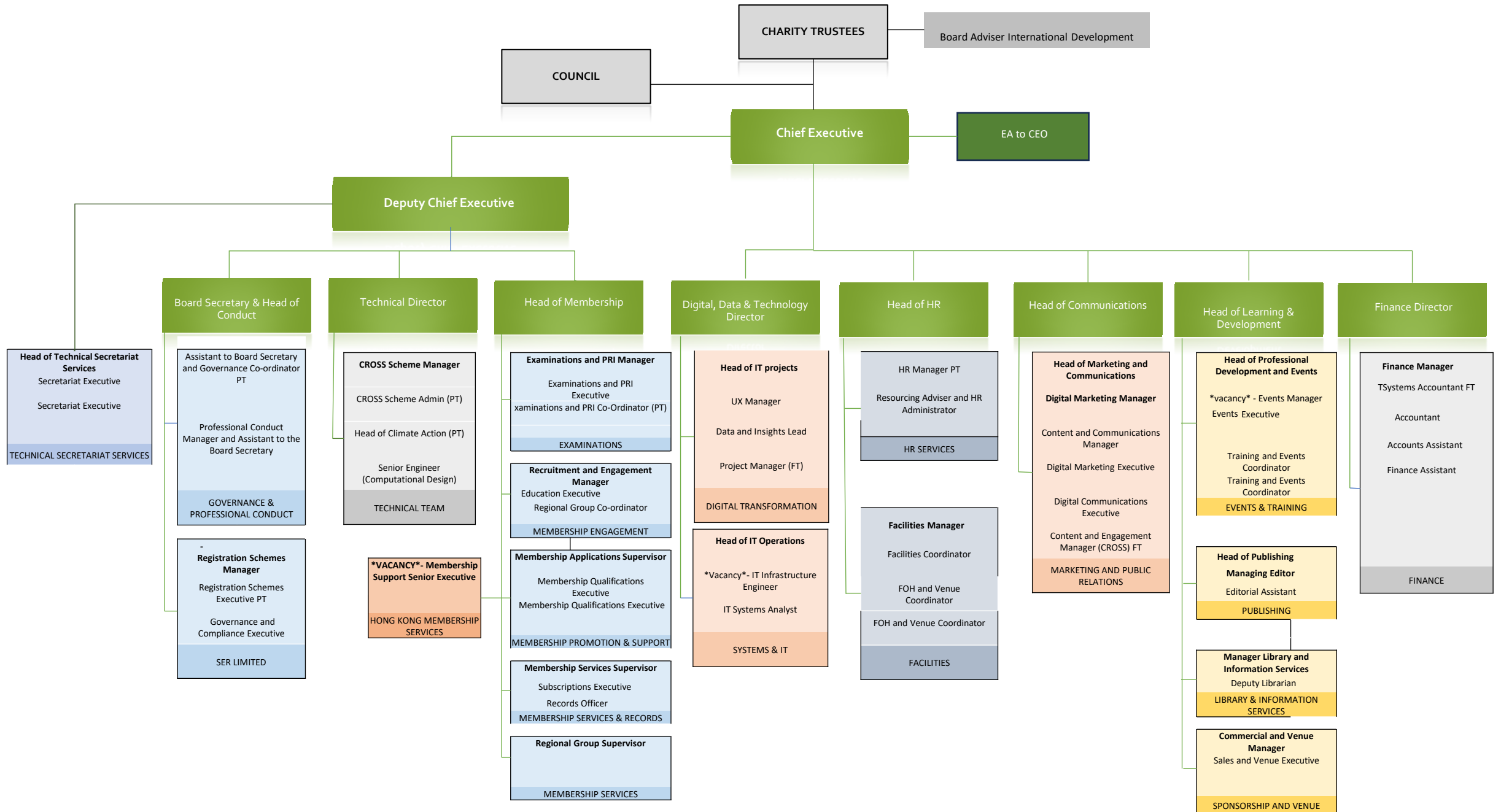
### **6.3.7 Connected Charities**

#### **6.3.7.1 The Institution of Structural Engineers Benevolent Fund**

The Institution of Structural Engineers Benevolent Fund is deemed a connected charity as its objects restrict its beneficiaries to current or former members of the Institution and their dependents or former dependents. During 2023 the Institution collected £35,634 of donations from its members and paid these to the Fund.







**Head of Technical Secretariat Services**  
 Secretariat Executive  
 Secretariat Executive  
 TECHNICAL SECRETARIAT SERVICES

**Board Secretary & Head of Conduct**

Assistant to Board Secretary and Governance Co-ordinator PT

Professional Conduct Manager and Assistant to the Board Secretary

GOVERNANCE & PROFESSIONAL CONDUCT

Registration Schemes Manager  
 Registration Schemes Executive PT  
 Governance and Compliance Executive

SER LIMITED

**Technical Director**

CROSS Scheme Manager

CROSS Scheme Admin (PT)

Head of Climate Action (PT)

Senior Engineer (Computational Design)

TECHNICAL TEAM

**\*VACANCY\*- Membership Support Senior Executive**  
 HONG KONG MEMBERSHIP SERVICES

**Head of Membership**

Examinations and PRI Manager  
 Examinations and PRI Executive  
 Examinations and PRI Co-ordinator (PT)

EXAMINATIONS

Recruitment and Engagement Manager  
 Education Executive  
 Regional Group Co-ordinator

MEMBERSHIP ENGAGEMENT

Membership Applications Supervisor  
 Membership Qualifications Executive  
 Membership Qualifications Executive

MEMBERSHIP PROMOTION & SUPPORT

Membership Services Supervisor  
 Subscriptions Executive  
 Records Officer

MEMBERSHIP SERVICES & RECORDS

Regional Group Supervisor

MEMBERSHIP SERVICES

**Digital, Data & Technology Director**

Head of IT projects

UX Manager

Data and Insights Lead

Project Manager (FT)

DIGITAL TRANSFORMATION

Head of IT Operations

\*Vacancy\*- IT Infrastructure Engineer

IT Systems Analyst

SYSTEMS & IT

**Head of HR**

HR Manager PT

Resourcing Adviser and HR Administrator

HR SERVICES

Facilities Manager

Facilities Coordinator

FOH and Venue Coordinator

FOH and Venue Coordinator

FACILITIES

**Head of Communications**

Head of Marketing and Communications

Digital Marketing Manager

Content and Communications Manager

Digital Marketing Executive

Digital Communications Executive

Content and Engagement Manager (CROSS) FT

MARKETING AND PUBLIC RELATIONS

**Head of Learning & Development**

Head of Professional Development and Events

\*vacancy\* - Events Manager

Events Executive

Training and Events Coordinator

Training and Events Coordinator

EVENTS & TRAINING

Head of Publishing Managing Editor

Editorial Assistant

PUBLISHING

Manager Library and Information Services  
 Deputy Librarian

LIBRARY & INFORMATION SERVICES

Commercial and Venue Manager  
 Sales and Venue Executive

SPONSORSHIP AND VENUE

**Finance Director**

Finance Manager

TSystems Accountant FT

Accountant

Accounts Assistant

Finance Assistant

FINANCE

### 6.3.8 Risk Management

The Trustee Board acknowledges its responsibility for managing the risks to which the Institution is exposed. It oversees an on-going assessment of the major risks – in particular those relating to strategic objectives, operations, finances and reputation. Control systems are in place to manage those risks.

The responsibility for providing guidance to the Trustee Board on matters relating to finance and operational risk is delegated to the Resources Committee. Strategic and reputational risk matters are primarily under the direction of the staff directorate and discussed at regular intervals with the Trustee Board.

The principal risks facing the Institution, with the key actions in place to mitigate against them are:

- ▶ Reduction in membership – Income from membership subscriptions is key to the Institution. In order to mitigate against a reduction in the number of members as the result of demographic factors and also to seek to grow the membership, the Institution has introduced initiatives including:
  - ▶ An increased range of products and services including CPD course provision, on-line courses, books and other publications; the library and a growing portfolio of e-books and an events program.
  - ▶ Increased focus and support for young member events.
  - ▶ Increasing the number of candidates eligible to proceed to Chartered Membership (MIStructE/FIStructE) by mapping the examinations offered by other international structural engineering bodies against the Institution's examinations and introducing supplementary examinations to assess those areas that are not tested.
  - ▶ Improving accessibility to professional membership by introducing flexibility in how candidates may satisfy the Master's level academic requirement.
  - ▶ Introducing the membership postnominal GIStructE for those graduate members who have successfully completed the Certificate in Structural Behaviour.
  - ▶ Introducing Bye-Law changes whereby whereby graduate members who have satisfied the Institution's academic requirements and passed the Chartered Professional Review Interview are able to register as Associates (AIStructE) with the Institution and Chartered Engineers (CEng) with the Engineering Council.
- ▶ Data Protection – The Institution's operations are heavily reliant on the use of the personal data of both members and non-members. A risk-based approach to data security is taken and appropriate technical and organisational measures are in place including:
  - ▶ Further to the introduction of the General Data Protection Regulation in May 2018 all associated policies and procedures continue to be reviewed and updated as necessary.
  - ▶ Encryption of server systems.
  - ▶ Development of a new Cyber security Institution framework and working towards Cyber Essentials accreditation (accreditation achieved March 2023).
  - ▶ Mandatory training provided to all staff on data security and guidance provided to Regional Groups.
- ▶ Resilience of commercial revenue – In order to reduce reliance on income from membership subscriptions a number of revenue streams, have, and continue to be developed through IStructE Ltd.
  - ▶ Throughout 2022 and into 2023 a greater number of online products have been created and delivered, greatly increasing the available portfolio and meeting the varying delivery requirements of members and other users.

- ▶ Reduction in income from Structural Engineers Registration Ltd (SER) – Income from SER is largely linked to the level of activity in the Scottish construction industry which is outside the company's control. A prudent approach is therefore taken to budgeting.
- ▶ Loss of multiple key personnel. Loss of staff is a risk in any organisation and will occur, however the Institution structure and ways of working are such that knowledge does not generally reside in one person. Creation of a Senior Management Team (SMT) enabling the better sharing of knowledge across the senior management adds a further level of robustness.
- ▶ Volunteer engagement – the Institution is heavily dependent on the voluntary contribution of its members particularly in areas of technical and engineering knowledge sharing. Members give their time freely and willingly however conflicting pressures in the workplace and personal life means that the Institution is always looking to increase the number of members actively engaged with its activities.
- ▶ The increased use of technology and the flexibility that this entails, in terms of conducting meetings and other Institution activities at different times of the day, has led to a significant increase in member and volunteer engagement. This process has been accelerated by the Covid pandemic and the Institution will continue to incorporate the positive learning points from the last four years into future plans.
- ▶ Increase in staff costs – As with most membership organisations the Institution's employee related costs is the key component of total expenditure. The risks associated with staff costs are managed through a rigorous annual budgeting process and close scrutiny to confirm the business need for any additional staff costs.
- ▶ Increases in the cost of capital expenditure – Where projects involving significant capital expenditure are undertaken there is likely to be an increased risk of cost escalation. Mitigation measures include development of detailed project specifications before work commences and appropriate levels of project management including formation of Project Oversight Trustee Boards, for example the Digital Transformation Board.
- ▶ Health and safety – presenting reputational and legal risks as well as the primary risk to the safety and health of staff and others, the Institution takes this risk area seriously.
  - ▶ A health and safety policy is in place together with supporting documents and appropriate procedures. Health and safety is overseen by the Head of Human Resources who chairs a staff health and safety committee that meets quarterly.
  - ▶ Staff working from home have been supplied with guidance for safe working and regular communication and surveys of staff have been undertaken.

### 6.3.9 Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although the Institution does not undertake widespread fundraising from the general public, the Charities Act 2011 defines fund raising as 'soliciting or otherwise procuring money or other property for charitable purposes', and the Charities and Trustee Investment (Scotland) Act 2005, definition includes 'representing and soliciting in any manner, whether expressly or implied... for a body established for charitable, benevolent or philanthropic purposes'.

Such amounts receivable are presented in the Institution's accounts as 'donations and legacies'.

In relation to the above the Trustees confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day-to-day management of all income generation is delegated to the staff directorate, all of whom are accountable to the Trustees.

The Institution is not subject to any undertaking to be bound by any regulatory scheme and does not consider it necessary to comply with any voluntary code of practice. No complaints have been received by the Institution in relation to fundraising activities. The Institution's terms of employment require staff to behave reasonably at all times and, as it does not approach individuals for funds it does not particularise this to fundraising activities nor is it considered necessary to design specific procedures to monitor such activities.

## 7 Reference and Administrative Information

### 7.1 Registration

The Institution is registered with the Charity Commission for England and Wales under number 233392 and the Office of the Scottish Charity Regulator under number SC038263.

### 7.2 Address of principal office

The Institution's address is 47-58 Bastwick Street, London, EC1V 3PS.

### 7.3 Trustee Board

During 2023 the Trustees were:

Mohamad Al-Dah	Tanya De Hoog	Peter Terrell
Matthew Byatt	Kate Leighton	Brian Uy
Ed Clark	Elisabeth Marlow	Keith Williams
Jane Entwistle	Tendayi Munyebvu	

### 7.4

#### Executive Team

Martin Powell	Chief Executive (January to March 2023)
Yasmin Becker	Chief Executive (April to December 2023)
Darren Byrne	Deputy Chief Executive
Paul Davies	Interim Director of Operations

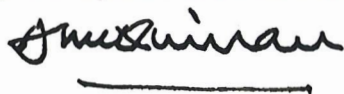
#### Trustee Board Secretariat

Kristy MacDonald	Trustee Board Secretary
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## 7.5 Auditors

Haysmacintyre LLP, statutory auditor  
10 Queen Street Place  
London  
EC4R 1AG

Approved by the Trustee Board and signed on their behalf by



Don McQuillan

Trustee Board Chair

Date: 09/05/24

## Independent auditor's report to the trustees of the Institution of Structural Engineers

### Opinion

We have audited the financial statements of the Institution of Structural Engineers for the year ended 31 December 2023 which comprise the consolidated 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 2023 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 relating 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's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (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 6, 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 intangible assets and debt provisions.
- Reviewing the assumptions and judgements used by the professional actuary in relation to the Charity's pension asset.

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](http://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  
10 Queen Street Place  
Statutory Auditors  
London  
EC4R 1AG

Date: 12/07/24

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

## Consolidated statement of financial activities

Year ended 31 December 2023

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Permanent Endowment Funds £'000	2023 Total £'000	2022 Total £'000
<b>Income from:</b>						
Donations, legacies and grants	2	28.7	16.4	-	45.1	54.9
<b>Income from trading activities</b>						
Gross income from charitable activities		155.7	-	-	155.7	134.7
Trading subsidiaries' income		2,722.9	-	-	2,722.9	2,415.4
<b>Income from charitable activities</b>						
Membership and qualification activities		5,076.5	-	-	5,076.5	5,063.3
Technical & professional learning and development		338.3	17.6	-	355.9	635.3
Income from joint venture	11	42.3	-	-	42.3	-
Other charitable activities		256.4	-	-	256.4	258.9
Income from investments	3	249.4	13.7	1.8	264.9	39.8
<b>Total income</b>		<u>8,870.2</u>	<u>47.7</u>	<u>1.8</u>	<u>8,919.7</u>	<u>8,602.3</u>
<b>Expenditure on:</b>						
<b>Cost of raising funds</b>						
Cost of charitable trading		147.0	-	-	147.0	114.7
Trading subsidiaries costs		2,068.0	-	-	2,068.0	1,808.5
<b>Charitable activities</b>						
Membership and qualification activities		4,226.6	-	-	4,226.6	3,571.7
Technical & professional learning and development		1,149.1	27.0	-	1,176.1	1,409.0
Other charitable activities		1,203.3	-	-	1,203.3	1,079.3
Loss from joint venture	11	-	-	-	-	41.4
<b>Total expenditure</b>		<u>8,794.0</u>	<u>27.0</u>	<u>-</u>	<u>8,821.0</u>	<u>8,024.6</u>
(Loss)/gain on translation of foreign entities		(9.0)	-	-	(9.0)	14.3
<b>Net income</b>		<u>67.2</u>	<u>20.7</u>	<u>1.8</u>	<u>89.7</u>	<u>592.0</u>
Actuarial (loss) / gain on final salary pension scheme	22	-	-	-	-	-
Net movement in funds		<u>67.2</u>	<u>20.7</u>	<u>1.8</u>	<u>89.7</u>	<u>592.0</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		11,581.3	242.2	31.6	11,855.1	11,263.1
Total funds carried forward		<u>11,648.5</u>	<u>262.9</u>	<u>33.4</u>	<u>11,944.8</u>	<u>11,855.1</u>

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The notes on pages 26 to 42 form part of these financial statements.



## Charity statement of financial activities

Year ended 31 December 2023

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Permanent Endowment Funds £'000	2023 Total £'000	2022 Total £'000
<b>Income from:</b>						
Donations, legacies and grants	2	28.7	16.4	-	45.1	54.9
<b>Income from trading activities</b>						
Gross income from charitable activities		155.7	-	-	155.7	134.7
<b>Income from charitable activities</b>						
Membership and qualification activities		5,076.5	-	-	5,076.5	5,063.2
Technical & professional learning and development		361.1	17.6	-	378.7	741.4
Other charitable activities		957.3	-	-	957.3	953.6
Income from investments	3	249.4	13.7	1.8	264.9	39.8
<b>Total income</b>		<b>6,828.7</b>	<b>47.7</b>	<b>1.8</b>	<b>6,878.2</b>	<b>6,987.6</b>
<b>Expenditure on:</b>						
<b>Cost of raising funds</b>						
Cost of charitable trading		168.2	-	-	168.2	136.5
<b>Charitable activities</b>						
Membership and qualification activities		4,794.2	-	-	4,794.2	4,075.9
Technical & professional learning and development		1,339.7	27.0	-	1,366.7	1,688.8
Other charitable activities		1,362.6	-	-	1,362.6	1,233.7
<b>Total expenditure</b>		<b>7,664.7</b>	<b>27.0</b>	<b>-</b>	<b>7,691.7</b>	<b>7,134.9</b>
<b>Net income</b>		<b>(836.0)</b>	<b>20.7</b>	<b>1.8</b>	<b>(813.5)</b>	<b>(147.3)</b>
Actuarial loss on final salary pension scheme	22	-	-	-	-	-
<b>Net movement in funds</b>		<b>(836.0)</b>	<b>20.7</b>	<b>1.8</b>	<b>(813.5)</b>	<b>(147.3)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		10,763.7	242.2	31.6	11,037.5	10,482.9
Gift aid received from subsidiaries		800.8	-	-	800.8	701.9
<b>Total funds carried forward</b>		<b>10,728.5</b>	<b>262.9</b>	<b>33.4</b>	<b>11,024.8</b>	<b>11,037.5</b>

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The notes on pages 26 to 42 form part of these financial statements.

## Consolidated and Charity balance sheets

Year ended 31 December 2023

	Note	The Group		Charity	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
Intangible assets	8	776.5	839.7	776.5	839.7
Investment in joint venture	11	88.5	46.2	-	-
<b>Fixed assets</b>					
Tangible assets	7	8,258.3	8,373.2	8,258.3	8,373.2
Investment in subsidiary companies	9	-	-	0.2	0.2
<b>Total fixed and intangible assets</b>		<u>9,123.3</u>	<u>9,259.1</u>	<u>9,035.0</u>	<u>9,213.1</u>
<b>Current assets</b>					
Stocks of publications	12	2.5	4.6	2.5	4.6
Debtors	13	723.1	897.8	830.9	988.7
Cash at bank and in hand		5,989.3	5,332.8	4,864.8	4,311.2
<b>Total current assets</b>		<u>6,714.9</u>	<u>6,235.2</u>	<u>5,698.2</u>	<u>5,304.5</u>
Creditors – amounts falling due within one year	14	(3,124.0)	(2,732.0)	(2,939.0)	(2,572.9)
<b>Net current assets</b>		<u>3,590.9</u>	<u>3,503.2</u>	<u>2,759.2</u>	<u>2,731.6</u>
Creditors – amounts falling due after one year	15	(769.4)	(907.2)	(769.4)	(907.2)
<b>Total net assets</b>		<u>11,944.8</u>	<u>11,855.1</u>	<u>11,024.8</u>	<u>11,037.5</u>
<b>Funds of the charity</b>					
Unrestricted funds:					
Designated funds	19	6,458.7	6,901.4	6,458.7	6,901.4
General funds		5,189.8	4,679.9	4,269.8	3,862.3
<b>Total unrestricted funds</b>		<u>11,648.5</u>	<u>11,581.3</u>	<u>10,728.5</u>	<u>10,763.7</u>
Permanent endowment funds	17	33.4	31.6	33.4	31.6
Restricted funds	18	262.9	242.2	262.9	242.2
<b>Total funds</b>		<u>11,944.8</u>	<u>11,855.1</u>	<u>11,024.8</u>	<u>11,037.5</u>

Approved by the Institution Board, authorised for issue and signed on their behalf by:

Donald McQuillan, Chairman



Mohamad Khodr Al-Dah, President-Elect



Date: 09 MAY 2024

## Consolidated and Charity statement of cash flows

Year ended 31 December 2023

Reconciliation of changes in resources to net cash inflow from operating activities	Note below	Group		Charity	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Cash flows from operating activities</b>					
Net income after tax		89.7	592.0	(813.5)	(147.3)
Investment income	3	(264.9)	(39.8)	(264.9)	(39.8)
Interest payable		37.7	43.1	37.7	43.1
Depreciation	7	180.9	172.4	180.9	172.4
Amortisation of intangible assets	8	214.1	277.4	214.1	277.4
Decrease in stock	12	2.1	-	2.1	-
Decrease / (increase) in debtors	13	174.7	(80.0)	157.8	(89.3)
Increase / (decrease) in creditors	14	392.0	(62.8)	366.1	(86.7)
<b>Net cash generated from operating activities</b>		<b>826.3</b>	<b>902.3</b>	<b>(119.7)</b>	<b>129.8</b>
<b>Cash flow from investing activities</b>					
Purchase of tangible fixed assets	7	(66.0)	(32.6)	(66.0)	(32.6)
Purchase of intangible assets	8	(150.9)	(116.9)	(150.9)	(116.9)
Investment in joint venture	11	(42.3)	41.4	-	-
Amount received in gift aid	10	-	-	800.8	701.9
Interest received	3	264.9	39.8	264.9	39.8
<b>Net cash from investing activities</b>		<b>5.7</b>	<b>(68.3)</b>	<b>848.8</b>	<b>592.2</b>
<b>Cash flow from financing activities</b>					
Capital element of mortgage paid		(137.8)	(126.7)	(137.8)	(126.7)
Interest paid		(37.7)	(43.1)	(37.7)	(43.1)
<b>Net cash from financing activities</b>		<b>(175.5)</b>	<b>(169.8)</b>	<b>(175.5)</b>	<b>(169.8)</b>
Increase in cash in year		656.5	664.2	553.6	552.2
Cash and cash equivalents at the beginning of the year		5,332.8	4,668.6	4,311.2	3,759.0
Cash and cash equivalents at the end of the year		5,989.3	5,332.8	4,864.8	4,311.2

The notes on pages 26 to 42 form part of these financial statements.

## Notes to the accounts

### Year ended 31 December 2023

#### 1. Accounting policies

##### Basis of preparation

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Institution of Structural Engineers meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

##### 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.

##### Basis of consolidation

The financial statements include the consolidation of IStructE Limited, Structural Engineers Registration Limited, IStructE (Asia Pacific) Limited and CROSS-AUS Limited (wholly owned subsidiaries of the Institution) and IStructE FZ LLC (a subsidiary of IStructE Ltd) on a line by line basis. Structural-Safety Limited, a 50% owned subsidiary, is accounted for by including 50% of the net assets. The financial statements of a connected charity, The Institution of Structural Engineers Benevolent Fund, has not been included within the group consolidation.

##### Income

All income is recognised in the Statement of Financial Activities when the conditions for receipt have been met and receipt is probable. The following accounting policies are applied to income:

##### Donations and grants

Donations and grants are included in the financial statements when the conditions of receipt have been met.

##### Trading activities

###### Income 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.

###### Certification and renewal fees

The income from certification fees is recognised on receipt of payment while renewal fees are held as deferred income and allocated to the year to which they relate.

##### Charitable fees

###### Members' subscriptions and fees

Members' subscriptions and fees due are treated as income when receivable. Amounts received in respect of future years are held as deferred income and allocated to the year to which they relate.

###### Examinations and professional review fees

The income is recognised in the accounts in the month in which the examination is held with amounts received in advance held as deferred income. Income from professional review interviews is recognised on receipt.

##### Investment income and gains

Investment income, including any tax recoverable thereon, is included in the financial statements in the year in which it is receivable. The income from the joint venture (Structural-Safety Limited) is recognised as the service is provided based on 50% of the net assets of the Company.

**Expenditure**

Expenditure is 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 and includes irrecoverable Value Added Tax. Expenditure has been allocated on the basis indicated below:

**Cost of raising funds**

This cost category includes the cost of books sold and the operating costs of the trading subsidiaries.

**Charitable activities**

This includes all expenditure directly related to the objects of the charity.

**Membership and qualification activities**

This comprises the costs involved in providing support and services to the members of the Institution.

**Technical & professional learning and development**

This comprises the costs related to the advancement and development of structural engineering.

**Other charitable activities**

This comprises the costs of training members and events.

**Support costs**

These costs represent the staffing and associated costs of finance, IT, the general building and administration costs and governance costs in supporting the operational activities for which the charity is responsible. Governance costs include external audit, legal advice to the Trustees and costs associated with the Board. These are allocated as detailed in Note 4. The method of allocating support costs is based on headcount using FYE (full year equivalents) to full-time posts, irrespective of whether these posts are filled by permanent or temporary staff.

**Fund accounting**

The charity maintains various types of funds as follows:

**Permanent endowment funds**

These funds have been received by the Institution with specific restrictions on their use within the objectives of its Royal Charter and from which the income arising is available for fulfilment of those objectives. These funds comprise various prize funds.

**Restricted funds**

These funds have been received by the Institution with specific restrictions on their use within the objectives of its Royal Charter.

**Unrestricted funds**

These are available for the Institution to pursue its objectives under its Royal Charter and comprise:

**Designated funds**

Designated funds are amounts which have been put aside at the discretion of the Trustees. General unrestricted funds represent funds which are expendable at the discretion of the Trustees in the furtherance of the objects of the charity under its Royal Charter.

**General fund**

This represents the undesignated accumulated surpluses from funds available for the general objectives of the Institution.

**Intangible assets**

The assets in this category contain the historical cost less amortisation to date of the Institution's websites and customer relationship management system (CRM). The cost is written off on a straight-line basis at 16.67% per annum.

**Tangible fixed assets**

Fixed assets are stated at historical cost less depreciation. Equipment renewals due to technological changes are charged to the Statement of Financial Activities. Depreciation is provided at rates calculated to write off the costs less land and estimated residual value on a straight-line basis over their estimated useful lives as follows:

Freehold premises 2% per annum on cost

Computers 33.3% per annum on cost

Furniture and equipment 16.67% per annum on cost

**Investments in subsidiaries**

Investments in subsidiaries are shown at cost. Investments in non-charitable companies under a joint venture arrangement are included at fair value, which is the Group's share of the net assets of the commercial company at the balance sheet date.

**Stock**

Finished stock and work in progress relates to technical publications and is stated at the lower of cost and net realisable value. Cost comprises the price of purchasing, compilation, printing and binding.

**Cash at bank and in hand**

Cash at bank and in hand includes cash and bank deposits.

**Pension contributions**

The Institution operates two pension schemes as follows:

**Final salary pension scheme**

This scheme provides benefits based on final pensionable salary. The scheme was closed during 2002 and future pension arrangements were provided through a group personal pension plan. The assets of the final salary scheme are invested and are totally separate from those of the Institution. Contributions to the scheme are charged to income and expenditure to spread the cost over the employees' working lives with the Institution. These contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. In accordance with FRS102 a Pension surplus is recognised under certain conditions. Since December 2021, no contributions have been made into this Scheme. A full update on the Final Salary Pension Scheme is given in note 22 below.

**Group personal pension plan**

The plan provides benefits based on contributions made and investment returns. The plan commenced during 2002 following the closure of the final salary scheme. Both the Institution and employees contribute to this plan. The assets of the plan are held in individual policies for each employee and invested and are totally separate from those of the Institution. Contributions to the plan are charged to income and expenditure as incurred. During 2015, new and existing employees who are not in the plan were automatically enrolled unless they have exercised their right to opt out.

**Leases**

Rental costs under operating leases are charged to the Statement of Financial Activities in equal amounts over the periods of the lease.

**Financial instruments**

The Institution only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. This is referred to in Note 16.

**Current and deferred tax**

The tax expense for the year comprises current and deferred tax. The current tax charge is calculated on all taxable income on the basis of tax rates and laws that have been enacted at the reporting date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**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 detailed below:

**Useful economic lives of tangible and intangible 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.

**Final salary pension scheme asset**

The determination of the assumptions used in calculating the final salary pension scheme asset is the responsibility of the Trustees. The assumptions are set with regard to advice given by the scheme actuary (see note 22). 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 2023.

The Institution has de-risked its exposure to fluctuations in the final salary pension scheme valuation by entering into a "buy-in" arrangement. Whilst the liabilities of the scheme legally sit with the Institution, the buy-in arrangement ensures it is backed at all times, by an insurance asset, see note 22 for further details.

**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 4.

**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.

## 2. Donations, legacies and grants

	2023				2022			
	Donations £'000	Legacies £'000	Grants £'000	Total £'000	Donations £'000	Legacies £'000	Grants £'000	Total £'000
Restricted Funds	16.4	-	-	16.4	11.4	-	-	11.4
Unrestricted Funds	27.7	1.0	-	28.7	25.0	18.5	-	43.5
<b>Total</b>	<b>44.1</b>	<b>1.0</b>	<b>-</b>	<b>45.1</b>	<b>36.4</b>	<b>18.5</b>	<b>-</b>	<b>54.9</b>

## 3. Investment income

	2023 £'000	2022 £'000
Bank interest	264.9	39.8

## 4. Analysis of Support and Governance Costs

	Management	Legal & finance	Information technology	Governance	Total support and governance costs	Direct costs	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<i>Basis of allocation</i>	<i>Head count</i>	<i>Head count</i>	<i>Head count</i>	<i>Head count</i>			
Charitable trading	28.1	8.3	10.6	5.5	52.5	94.5	147.0
Trading subsidiaries	230.4	68.0	86.9	44.7	430.0	1,638.0	2,068.0
Membership & qualification activities	795.1	234.5	299.9	154.3	1,483.8	2,742.8	4,226.6
Technical & professional learning & development	222.0	65.5	83.7	43.0	414.2	761.9	1,176.1
Other charitable activities	210.7	62.2	79.4	40.9	393.2	810.1	1,203.3
<b>Total</b>	<b>1,486.3</b>	<b>438.5</b>	<b>560.5</b>	<b>288.4</b>	<b>2,773.7</b>	<b>6,047.3</b>	<b>8,821.0</b>

### Comparative figures for 2022

	Management	Legal & finance	Information technology	Governance	Total support and governance costs	Direct costs	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<i>Basis of allocation</i>	<i>Head count</i>	<i>Head count</i>	<i>Head count</i>	<i>Head count</i>			
Charitable trading	29.9	7.7	10.9	4.3	52.8	61.9	114.7
Trading subsidiaries	245.4	63.1	89.4	35.6	433.5	1,375.0	1,808.5
Membership & qualification activities	751.1	193.2	273.5	109.0	1,326.8	2,244.9	3,571.7
Technical & professional learning & development	239.4	61.6	87.2	34.8	423.0	986.0	1,409.0
Other charitable activities	212.5	54.6	77.4	30.8	375.3	704.0	1,079.3
<b>Total</b>	<b>1,478.3</b>	<b>380.2</b>	<b>538.4</b>	<b>214.5</b>	<b>2,611.4</b>	<b>5,371.8</b>	<b>7,983.2</b>

## 5. Net income for the year is stated after charging

	2023 £'000	2022 £'000
Auditors' remuneration		
For audit services	35.4	35.1
Depreciation and amortisation of fixed & intangible assets	395.0	449.9

## 6. Information regarding employees, trustees and key management personnel

The average number of staff employed by the Institution in 2023 was 65 (2022: 62), split across the functions below.

Function	2023	2022
Charitable trading	1	1
Trading subsidiaries	8	7
Membership and qualification	24	22
Technical and professional learning and development	8	8
Other charitable activities	6	6
Support and governance	18	18
<b>Total</b>	<b>65</b>	<b>62</b>

Staff costs comprise:

	2023 £'000	2022 £'000
Salaries	3,249.8	2,844.1
Permanent health Insurance	49.0	47.0
Social security costs	357.5	339.4
Pension costs	301.2	361.1
Staff welfare, training and recruitment	480.6	320.5
	<b>4,438.1</b>	<b>3,912.1</b>

The number of employees whose total emoluments amounted to £60,001 or above for the year is as follows:

	2023	2022
£ 60,001 - £ 70,000	5	5
£ 70,001 - £ 80,000	4	1
£ 80,001 - £ 90,000	2	2
£ 90,001 - £100,000	1	-
£100,001 - £110,000	1	1
£110,001 - £120,000	1	-
£130,001 - £140,000	1	-
£190,001 - £200,000	-	1

The key management personnel of the parent charity, the Institution, comprise the Trustees, the Chief Executive and the Deputy Chief Executive. The total employee salary and benefits of the key management personnel were £301,663 (2022: £308,815).

The Board is drawn from the membership of the Institution. No Trustee received any remuneration for their duties as Trustees (2022: none). Trustees are reimbursed for travelling expenses whilst engaged on the activities of the Institution.

Reimbursements were made as follows:

	£'000
Reimbursed in 2023 to 11 members of the Board	104.2
Reimbursed in 2022 to 11 members of the Board	51.6



## 6. Information regarding employees, trustees and key management personnel (continued)

The breakdown of costs incurred for each Trustee is listed below.

Trustee	Country of Residence	Travel & Subsistence Incurred £'000
P Terrell (Chairman)	France	5.1
M Byatt (President)	United Kingdom	53.5
J Entwistle	United Kingdom	1.0
M Al-Dah	United Arab Emirates	5.6
B Uy	Australia	16.2
K Williams	United Kingdom	1.7
K Leighton	United Kingdom	2.6
E Clark	United Kingdom	1.3
E Green	United Kingdom	1.3
T De Hoog	United States of America	8.2
T Munyevbu	United Kingdom	3.3

In their capacity as members of the Institution Trustees are obliged to pay annual subscriptions due to the Institution. Trustees are entitled to take advantage of the services offered by the Institution and its subsidiary companies, on the same terms offered to all members or to the general public.

Where Trustees or their connections provide services to, or utilise any other services or facilities of the Institution, the amounts paid to or charged by the Institution and based on either:

Standard rates paid by the Institution to members and non-members alike for services such as lecturing; or

Rates negotiated on behalf of the Institution, independently of the member involved, by the Board or their delegated committee, based on competitive tenders or general rates.

## 7. Fixed Assets

Consolidated and Charity

	Freehold Premises £'000	Computers £'000	Furniture and Equipment £'000	Total £'000
<b>Cost</b>				
Balance at 1 January 2023	9,527.9	745.7	189.3	10,462.9
Additions	-	66.0	-	66.0
Disposals	-	-	-	-
Balance at 31 December 2023	9,527.9	811.7	189.3	10,528.9
<b>Accumulated Depreciation</b>				
Balance at 1 January 2023	1,199.9	706.1	183.7	2,089.7
Charge for year	148.6	30.4	1.9	180.9
Disposals	-	-	-	-
Balance at 31 December 2023	1,348.5	736.5	185.6	2,270.6
<b>Net Book Value</b>				
At 31 December 2023	8,179.4	75.2	3.7	8,258.3
At 31 December 2022	8,328.0	39.6	5.6	8,373.2

All tangible fixed assets are used in the activities of the Institution. The trading subsidiaries do not own any tangible fixed assets. Audited accounts of the trading subsidiaries are filed with the Registrar of Companies.

## 8. Intangible assets

Consolidated and Charity	
	<b>Websites &amp; CRM £'000</b>
<b>Cost</b>	
Balance at 1 January 2023	1,837.1
Additions	150.9
Disposals	-
	<hr/>
Balance at 31 December 2023	1,988.0
<b>Amortisation</b>	
Balance at 1 January 2023	997.4
Charge for year	214.1
Disposals	-
	<hr/>
Balance at 31 December 2023	1,211.5
<b>Net Book Value</b>	
At 31 December 2023	<hr/> 776.5
At 31 December 2022	<hr/> 839.7

## 9. Investments in subsidiaries

The group has the following subsidiary trading companies:

<b>Subsidiary undertaking (company number)</b>	<b>Principal activities</b>	<b>Net Assets</b>	<b>Share capital held</b>
IStructE Ltd (02444141)	Various commercial activities	See note 10	£100
Structural Engineers Registration Ltd (05251866)	A registration service to engineers in Scotland and Jersey	See note 10	£1
IStructE (Asia Pacific) Ltd (2299470)	To support the Institution's activities in the area	£0k	£100
IStructE FZ LLC (8306/2016)	To support the Institution's activities in the UAE	See note 10	£28.2k
Structural Safety Ltd (11750936)	Provision of structural safety reporting schemes	£0k	-
CROSS-AUS Ltd (ACN 627969484)	Provision of structural safety reporting schemes in Australia	Nil	-
Institution of Construction Engineers (02806430)	Not trading	Nil	-
Association of Construction Engineers (02806431)	Not trading	Nil	-

IStructE Ltd and Structural Engineers Registration Ltd are 100% subsidiaries of the Institution and incorporated in the UK. Subsidiaries activities have been consolidated into the Institution's financial statements. As a general policy, the trading companies' gift aid all their taxable profits to the charity. IStructE (Asia Pacific) Ltd is incorporated in Hong Kong.

IStructE FZ LLC is a Branch office of IStructE Ltd. The Company is incorporated in the United Arab Emirates.

Structural Safety Ltd is a company limited by guarantee and is 50/50 owned by the Institution of Structural Engineers and the Institution of Civil Engineers.

CROSS-AUS Ltd is a company limited by guarantee and is a wholly-owned subsidiary of the Institution of Structural Engineers. The Company is incorporated in Australia.

## 10. Results and net assets of trading subsidiaries

	IStructE Ltd £'000	SER Ltd £'000	IStructE (Asia-Pac) Ltd £'000	CROSS AUS Ltd £'000	IStructE FZ LLC £'000	Total £'000	2022 £'000
Turnover	1,232.1	1,463.1	22.9	2.7	2.1	2,722.9	2,415.2
Cost of sales	(422.1)	(683.2)	(4.1)	-	-	(1,109.4)	(881.8)
Gross profit	810.0	779.9	18.8	2.7	2.1	1,613.5	1,533.4
Administrative expenses	(441.6)	(305.5)	(13.0)	(3.7)	(1.1)	(764.9)	(771.0)
Operating profit before tax	368.4	474.4	5.8	(1.0)	1.0	848.6	762.4
Amount donated to the Institution	-	-	-	-	-	-	-
	368.4	474.4	5.8	(1.0)	1.0	848.6	762.4
Corporation tax	-	-	-	-	-	-	-
Amount retained by the subsidiary	368.4	474.4	5.8	(1.0)	1.0	848.6	762.4
Fixed assets	28.2	-	-	-	-	28.2	28.2
Current assets	593.3	437.4	27.5	1.6	41.8	1,101.6	983.5
Current liabilities	(253.0)	(212.0)	(5.8)	-	-	(470.8)	(398.8)
Net assets and funds	368.5	225.4	21.7	1.6	41.8	659.0	612.9

## 11. Investment in joint venture

The Charity has an investment in a joint venture run through a company called Structural-Safety Ltd. The company is co-owned by the Institution of Structural Engineers and the Institution of Civil Engineers. The company began trading during 2020. The results and net assets of the company for the financial years ending 31.12.2023 and 31.12.2022 were as follows:

	2023 £'000	2022 £'000
Turnover	591.5	184.1
Cost of sales	(316.5)	(107.1)
Gross profit	275.0	77.0
Administrative expenses	(190.4)	(159.8)
Operating (loss) / profit before tax	84.6	(82.8)
Amount paid in gift aid	-	-
Amount retained	84.6	(82.8)
Intangible assets	176.3	214.0
Fixed assets	0.6	0.4
Current assets	277.8	209.9
Current liabilities	(277.8)	(332.0)
Net assets and funds	176.9	92.3
<b>Share of net assets</b>		
Institution of Structural Engineers – 50%	88.45	46.15
Institution of Civil Engineers – 50%	88.45	46.15
	176.9	92.3
<b>Income from joint venture</b>		
Share of (loss) / profit from joint venture	42.3	(41.4)
Gift aid received 2023; 2022	-	-
	42.3	(41.4)

**12. Stock**

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Finished goods	2.5	4.6	2.5	4.6
	<u>2.5</u>	<u>4.6</u>	<u>2.5</u>	<u>4.6</u>

**13. Debtors**

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Debtors in respect of charitable services	311.8	414.1	206.0	336.7
Amounts due from IStructE Ltd	-	-	190.2	126.5
Amounts due from Structural Engineers Registration Ltd	-	-	69.7	73.8
Other debtors and prepayments	357.3	459.0	311.0	427.0
Other taxation and social security	54.0	24.7	54.0	24.7
	<u>723.1</u>	<u>897.8</u>	<u>830.9</u>	<u>988.7</u>

**14. Creditors: Amounts falling due within one year**

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Mortgage falling due within one year	138.1	132.4	138.1	132.4
Creditors	244.2	456.0	154.5	386.4
Other creditors	237.8	168.8	282.5	228.4
Accruals	222.9	146.5	188.6	116.2
Deferred income	2,127.6	1,700.5	2,067.9	1,620.7
Other taxation and social security	153.4	127.8	107.4	88.8
	<u>3,124.0</u>	<u>2,732.0</u>	<u>2,939.0</u>	<u>2,572.9</u>

Deferred income comprises annual membership subscriptions, exam fees and journal subscriptions, which were all received in advance.

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Balance at 1 January	1,700.5	1,952.6	1,620.7	1,879.7
Amount released to income	(1,700.5)	(1,952.6)	(1,620.7)	(1,879.7)
Amount deferred in the year	2,127.6	1,700.5	2,067.9	1,620.7
Balance at 31 December	<u>2,127.6</u>	<u>1,700.5</u>	<u>2,067.9</u>	<u>1,620.7</u>

**15. Creditors: Amounts falling due after one year**

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Mortgage falling due after one year	769.4	907.2	769.4	907.2

**16. Financial instruments**

The Institution has financial assets and financial liabilities of a kind that qualify as basic financial instruments. The financial liability is a mortgage secured on the Institution's 47-58 Bastwick Street property. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Loan is repayable as follows:

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Within one year	138.1	132.4	138.1	132.4
Between one and two years	769.4	137.2	769.4	137.2
Between two and five years	-	770.0	-	770.0
	<u>907.5</u>	<u>1,039.6</u>	<u>907.5</u>	<u>1,039.6</u>

## 16. Financial instruments (continued)

In November 2019, the Board approved an extension to the loan, increasing it to £1.4m, which equals the amount borrowed in 2014. The loan is for 5 years but has a 10- year profiling, which explains why it is fully repayable at the end of 5 years, although rather than a balancing payment, at the end of the 5 years, an additional 5 years will be added to the loan in line with the profile agreed with Barclays Bank. The rate of interest is fixed at 3.86% for the first 5 years, to be repaid in equal instalments until December 2024. At the end of the 5<sup>th</sup> year the rate of interest will be re-negotiated on the amount outstanding for the final 5 years. The purpose of the loan is to finance the business transformation projects planned over the next 5 years. The ratio for the loan to property is 11% (2022: 12%).

## 17. Movement in permanent endowment funds

	1 January 2023 £'000	Income £'000	Expenditure £'000	31 December 2023 £'000
Prize funds	31.6	1.8	-	33.4

	1 January 2022 £'000	Income £'000	Expenditure £'000	31 December 2022 £'000
Prize funds	31.3	0.3	-	31.6

## 18. Movement in restricted funds

	1 January 2023 £'000	Income £'000	Transfer to Unrestricted Funds £'000	Expenditure £'000	31 December 2023 £'000
Research fund	57.8	19.6	-	6.4	71.0
Prize funds	2.5	0.2	-	-	2.7
EEFIT fund	30.0	6.0	-	2.3	33.7
Young Structural Eng. Competition	111.9	6.3	-	-	118.2
Fib (UK)	31.9	15.1	-	17.7	29.3
Pai Lin Li Travel Awards	7.6	0.4	-	-	8.0
Alsop Fund	0.5	0.1	-	0.6	-
	<u>242.2</u>	<u>47.7</u>	<u>-</u>	<u>27.0</u>	<u>262.9</u>

	1 January 2022 £'000	Income £'000	Transfer to Unrestricted Funds £'000	Expenditure £'000	31 December 2022 £'000
Research fund	74.1	12.3	-	28.6	57.8
Prize funds	2.5	-	-	-	2.5
EEFIT fund	29.8	4.5	-	4.3	30.0
Young Structural Eng. Competition	110.9	1.0	-	-	111.9
Fib(UK)	38.9	12.2	-	19.2	31.9
Pai Lin Li Travel Awards	7.6	-	-	-	7.6
Alsop Fund	5.5	0.1	-	5.1	0.5
	<u>269.3</u>	<u>30.1</u>	<u>-</u>	<u>57.2</u>	<u>242.2</u>

### Purpose of restricted funds

Name	Purpose
Research fund	This fund has the objectives of raising and applying funds for the purpose of enabling research to advance the art, science, and practice of structural engineering.
Prize funds	These funds were raised for specific educational prizes.



Funds are designated for the following purposes:

Name	Purpose	Period to be used
Prize fund	Donated funds to provide educational and examination prizes.	When required
Employee pensions fund	This fund was designated in 2001 to cover the ongoing costs of the Final Salary Pension Scheme.	When required
Bursary fund	The fund has been created to assist students from disadvantaged backgrounds in their studies to become structural engineer'.	When required
Bastwick Street fund	This is to recognise the accounting profit after the sale of the leasehold of 11 Upper Belgrave Street, London. Being used to offset annual depreciation charges on Bastwick street.	When required
England registration fund	Established in 2014 to fund the work required to investigate the setting up of a Structural Engineer Registration scheme in England.	When required
Digital transformation	This is to fund future digital projects.	When required
Bastwick Street maintenance fund	Setup to fund the future maintenance work at Bastwick Street.	When required
Development fund	This is to fund a replacement for the Institution's CRM, IT hardware, software upgrades and other development projects.	Next 4 years
Mortgage Repayment fund	The fund is to cover the impact of the full repayment of the mortgage on the building	2024

## 20. Analysis of assets and liabilities between funds for the year ended 31<sup>st</sup> December 2023

	Unrestricted Funds	Restricted Funds	Permanent Endowment Funds	Total 2022
	£'000	£'000	£'000	£'000
Intangible assets	776.5	-	-	776.5
Investment in joint venture	88.5	-	-	88.5
Tangible fixed assets	8,258.3	-	-	8,258.3
Current assets	6,418.5	262.9	33.4	6,714.8
Current liabilities	(3,118.2)	-	-	(3,118.2)
Long-term liabilities	(775.1)	-	-	(775.1)
<b>Total net assets</b>	<b>11,648.5</b>	<b>262.9</b>	<b>33.4</b>	<b>11,944.8</b>

## Comparative analysis for the year ended 31<sup>st</sup> December 2022

	Unrestricted Funds	Restricted Funds	Permanent Endowment Funds	Total 2020
	£'000	£'000	£'000	£'000
Intangible assets	839.7	-	-	839.7
Investment in joint venture	46.2	-	-	46.2
Tangible fixed assets	8373.2	-	-	8,373.2
Current assets	5,961.4	242.2	31.6	6,235.2
Current liabilities	(2,732.0)	-	-	(2,732.0)
Long-term liabilities	(907.2)	-	-	(907.2)
<b>Total net assets</b>	<b>11,581.3</b>	<b>242.2</b>	<b>31.6</b>	<b>11,855.1</b>

## 21. Taxation

The Institution is a charity within the meaning of Part 1 Schedule 6 Finance Act 2011. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2011 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## 22. Final salary pension scheme

The Institution has, in prior years, contributed to the Institution of Structural Engineers (1973) Pension and Life Assurance Scheme ('the Scheme') at rates set by the Scheme Actuary and as advised to the Trustees by the Scheme Administrator. In accordance with FRS102, the Scheme is accounted for as a defined benefit scheme. The last full actuarial valuation was completed as at 31<sup>st</sup> December 2022 on 27<sup>th</sup> March 2024.

In the period to November, 2021, the Institution concluded a Buy-in arrangement with Legal & General ('L&G') which resulted in the Scheme's assets being transferred to L&G. The transferred assets comprise the insured annuities for the value of member benefits under FRS102. At this point, L&G assumed responsibility for making the payments due to the members of the Scheme, with the Institution retaining the legal responsibility for the payment of all member benefits.

The Institution is working with L&G and the Scheme members to agree a Buy-out arrangement where the members will have a direct legal relationship with L&G who will then take responsibility for paying pensions directly to each individual Scheme member. It is expected that this buy-out arrangement will be concluded in 2024.

With the completion of the Buy-In:

- Effective December, 2021 the Institution has made no further contributions into the Scheme, although it continues to meet the costs of administering and operating the Scheme;
- And, in line with the accounting policy adopted in last year's financial statements for the year ending December 31, 2022, as the deficit or surplus calculated under FRS 102 can vary greatly from year to year depending on the assumptions made at the valuation date, the Institution has chosen not to recognise within its Balance Sheet any deficit or surplus on the Scheme calculated under FRS 102.

The information prepared below on the Scheme's assets and liabilities should be read in the context of the existing buy-in arrangement and of the proposed buy-out arrangement.

The assumptions which had the most significant effect on the results of the valuation are those relating to the return on investments and the discount rate used to derive the net present value of the scheme liabilities. The assets of the scheme have been calculated below at open market value as at the year end and the liabilities have been calculated using the following actuarial assumptions.

	31 December 2023		31 December 2022		31 December 2021	
	% per annum		% per annum		% per annum	
Rate of discount	4.80		5.05		1.80	
Inflation (RPI)	3.35		3.45		3.70	
Inflation (CPI)	2.75		2.75		2.90	
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less with a minimum of 3% p.a.	3.00		3.00		3.00	
Allowance for pension in payment increases of RPI or 5% p.a. if less, minimum 3% p.a.	3.70		3.80		3.90	
Allowance for commutation of pension for cash at retirement	80%	of	80%	of	80%	of
	Post	A	Post	A	Post	A
	Day		Day		Day	

The mortality assumptions adopted at 31 December 2023 imply the following life expectancies:

	2023	2022
	Years	Years
Male retiring at age 65 in 2023	20.9	21.5
Female retiring at age 65 in 2023	22.8	23.2
Male retiring at age 65 in 2043	22.2	22.8
Female retiring at age 65 in 2043	24.3	24.7

Present values of plan liabilities, fair value of assets and deficit:

	2023	2022	2021	2020	2019
	£'000s	£'000s	£'000s	£'000s	£'000s
Fair value of plan assets	4,773	4,755	7,108	8,401	8,036
Present value of plan liabilities	4,607	4,590	6,950	7,602	7,438
Surplus in scheme	166	165	158	799	598
Recognised surplus	-	-	-	799	598



## 22. Final salary pension scheme (continued)

### Reconciliation of opening and closing balances of the present value of the scheme liabilities:

	Year Ending 31 December 2023 £'000s	Year Ending 31 December 2022 £'000s
Scheme liabilities at start of period	4,590	6,950
Interest cost	225	123
Actuarial (gains) / losses	48	(2,247)
Benefits paid, death in service insurance premiums	(256)	(236)
Plan liabilities at end of period	<u>4,607</u>	<u>4,590</u>

### Reconciliation of opening and closing balances of the fair value of scheme assets:

	Year Ended 31 December 2023 £'000s	Year Ended 31 December 2022 £'000s
Fair value of scheme assets at start of period	4,755	7,108
Expected return on scheme assets	234	126
Actuarial (losses) / gains	40	(2,243)
Benefits paid, death in service insurance premiums	(256)	(236)
Fair value of scheme assets at end of year	<u>4,773</u>	<u>4,755</u>

The actual return on the scheme assets over the period ended 31 December 2023 was a profit of £274,000.

### Total expense recognised in the statement of financial activities:

	Year Ended 31 December 2023 £'000s	Year Ended 31 December 2022 £'000s
Net Interest cost	225	123
(Gains) / losses on settlements	(47)	2,247
<b>Total expense recognised in the statement of financial activities</b>	<u>178</u>	<u>2,370</u>

### Other Comprehensive Income:

	Year Ended 31 December 2023 £'000s	Year Ended 31 December 2022 £'000s
Return on plan assets (excluding amounts included in net interest cost) – (loss) / gain	40	(2,243)
Experience gains and losses arising on the plan liabilities: Amount of gain	(3)	(246)
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities: Amount of gain / (loss)	(45)	2,493
Effect of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) – (loss) / gain	(157)	(162)
<b>Total amount recognised in other comprehensive income within the statement of financial activities – (loss) / gain</b>	<u>(165)</u>	<u>(158)</u>

### Pension Asset

The report from the actuaries showed a surplus of £166k at the 31 December, 2023 (2022 £165k) and it has been considered prudent to reduce this figure to £Nil (2022 £Nil).

## 22. Final salary pension scheme (continued)

### Assets:

	Year Ended 31 December 2023 £'000s	Year Ended 31 December 2022 £'000s	Year Ended 31 December 2021 £'000s
Cash	171	170	165
Insurance Policy	4,602	4,585	6,943
<b>Total assets</b>	<b>4,773</b>	<b>4,755</b>	<b>7,108</b>

## 23. Related party transactions

The Institution has six trading subsidiaries. The following paragraphs show the transactions with each subsidiary during the financial years ended 31.12.23 and 31.12.22 and the amounts owed at the end of each year.

### IStructE Ltd

The company undertakes activities relevant to the profession of structural engineering which either the Institution of Structural Engineers as a charity is unable to undertake or which can be more effectively conducted through the company. Key activities are the sale of advertising space in the institutions journal, acting as an agent to sell the Institutions technical publications, and selling sponsorship for Institution events.

	2023 £'000	2022 £'000
Sales	100.6	80.7
Purchases	33.0	18.9
Charitable donations to the Institution of Structural Engineers	294.0	161.5
Management charges from the Institution of Structural Engineers	417.5	389.0
Intercompany balance (Debtor)	119.6	126.3

### Structural Engineers Registration Limited

The company promotes and manages schemes for the registration of individuals and organisations engaged in the certification of structures in Scotland and Jersey.

	2023 £'000	2022 £'000
Management charges from the Institution of Structural Engineers	239.5	294.3
Charitable donations to the Institution of Structural Engineers	506.8	540.4
Intercompany balance (Debtor)	72.6	73.8

### Structural Safety Limited

The company provides a reporting service on issues to do with structural safety.

	2023 £'000	2022 £'000
Sales	109.2	103.7
Purchases	107.0	112.5
Management charges from the Institution of Structural Engineers	205.2	100.2
Intercompany balance (Debtor)	245.9	186.2
Capital expenditure transfers from Institution of Structural Engineers	-	30.9

### IStructE (Asia Pacific) Ltd

The purpose of the company is to facilitate and support the activities of the regional groups in the Asia Pacific area.

	2023 £'000	2022 £'000
Grant from the Institution of Structural Engineers	22.7	12.3

## 23. Related party transactions (continued)

### IStructE FZ LLC

The purpose of the company is to facilitate and support the activities of the regional group in the United Arab Emirates.

	2023 £'000	2022 £'000
Grant from the Institution of Structural Engineers	-	-

### CROSS-AUS Ltd

The purpose of the company is to provide structural safety reporting on schemes in Australasia.

	2023 £'000	2022 £'000
Grant from the Institution of Structural Engineers via the Australia Regional Group	2.7	10.0

## 24. Analysis of changes in net debt

	At the 1 <sup>st</sup> January 2023 £'000	Cash flows £'000	Other non- cash changes £'000	At 31 <sup>st</sup> December 2023 £'000
<b>Cash and cash equivalents</b>				
Cash	5,332.8	656.5	-	5,989.3
<b>Borrowings</b>				
Debt due within one year	(132.4)	132.1	(137.8)	(138.1)
Debt due after one year	(907.2)	-	137.8	(769.4)
	<u>(1,039.6)</u>	<u>132.1</u>	<u>-</u>	<u>(907.5)</u>
<b>Total</b>	<b>4,293.2</b>	<b>788.6</b>	<b>-</b>	<b>5,081.8</b>

## Consolidated statement of financial activities

Year ended 31 December 2022

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Permanent Endowment * Funds £'000	2022 Total £'000	2021 Total £'000
<b>Income from:</b>						
Donations, legacies and grants	2	43.3	11.6	-	54.9	100.4
<b>Income from trading activities</b>						
Gross income from charitable activities		134.7	-	-	134.7	131.3
Trading subsidiaries' income		2,415.4	-	-	2,415.4	2,185.7
<b>Income from charitable activities</b>						
Membership and qualification activities		5,063.3	-	-	5,063.3	4,993.6
Technical & professional learning and development		619.1	16.2	-	635.3	465.5
Income from joint venture	11	-	-	-	-	6.6
Other charitable activities		258.9	-	-	258.9	231.4
Income from investments	3	37.2	2.3	0.3	39.8	0.5
<b>Total income</b>		<b>8,571.9</b>	<b>30.1</b>	<b>0.3</b>	<b>8,602.3</b>	<b>8,115.0</b>
<b>Expenditure on:</b>						
<b>Cost of raising funds</b>						
Cost of charitable trading	4	114.7	-	-	114.7	120.5
Trading subsidiaries costs		1,808.5	-	-	1,808.5	1,533.6
<b>Charitable activities</b>						
Membership and qualification activities	4	3,571.7	-	-	3,571.7	3,261.1
Technical & professional learning and development		1,351.8	57.2	-	1,409.0	1,273.0
Other charitable activities		1,079.3	-	-	1,079.3	787.1
<b>Total expenditure</b>		<b>7,926.0</b>	<b>57.2</b>	<b>-</b>	<b>7,983.2</b>	<b>6,975.3</b>
Loss from joint venture	11	(41.4)	-	-	(41.4)	-
Gain / (Loss) on translation of foreign entities		14.3	-	-	14.3	(1.7)
<b>Net income</b>		<b>618.8</b>	<b>(27.1)</b>	<b>0.3</b>	<b>592.0</b>	<b>1,138.0</b>
Actuarial (loss) / gain on final salary pension scheme	22	-	-	-	-	(909.0)
Net movement in funds		618.8	(27.1)	0.3	592.0	229.0
<b>Reconciliation of funds</b>						
Total funds brought forward		10,962.5	269.3	31.3	11,263.1	11,034.1
Total funds carried forward		<b>11,581.3</b>	<b>242.2</b>	<b>31.6</b>	<b>11,855.1</b>	<b>11,263.1</b>

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The notes on pages 26 to 42 form part of these financial statements.

\* Permanent endowment: The only movement during 2022 was the receipt of £288 (2020: £5) in bank interest.