

Institution of Chemical Engineers

**Annual Report and Consolidated Financial
Statements for the year ended 31 December 2024**

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Trustees' Report

The Board of Trustees is pleased to present its annual report together with the financial statements of the charity and its subsidiaries for the year ended 31 December 2024.

The financial statements comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Reference and Administrative Details

The Institution of Chemical Engineers (IChemE) is a registered Charity in England and Wales (214379) and a charity registered in Scotland (SC039661).

Principal Office	Davis Building, Railway Terrace, Rugby, Warwickshire, CV21 3HQ
Auditors	RSM UK Audit LLP, 10 th Floor, 103 Colmore Row, Birmingham, B3 3AG
Main Bankers	NatWest Bank Plc, 300 Silbury Boulevard, Milton Keynes, MK9 2ZF
Solicitors	Mills & Reeve, 100 Hills Road, Cambridge, CB2 1PH
Investment Managers	Rathbone, 35 Gresham Street, London, EC2V 7QN Ruffer LLP, 80 Victoria Street, London, SW1E 5JL

Trustees

1 January 2024 – 11 June 2024	From 11 June 2024
Mr JN Hirst	Mr ME Aspey
Prof IDL Bogle	Mr JN Hirst
Mr ME Aspey	Prof R Ocone
Dr DW Edwards	Dr DW Edwards
Dr RJ Best	Prof A Harper
Mrs A Hosey	Mrs A Hosey
Ms AL Meldrum	Prof J Cordiner
Mrs MD Isles-Ahite	Mr P McLaughlin
Prof R Ocone	Mt T Muchatuta
Mr DM Sutton	Mrs H Ramsay
Mr RE Tucker	Ms A Vargas-Colwill
Ms A Vargas-Colwill	

Executive Team

Ms Y Baker	Chief Executive
Ms J Downham	Chief Operating Officer
Mrs R Baxter-Smith	Director, Qualifications
Dr R Bibby	Director, Member Experience & Professional Learning
Mrs C Flavell-White	Director, Learned Society
Mr A Foster	Director, Strategic Partnerships & Impact
Ms P Kerin	Director, IChemE Safety Centre (to 31 January 2025)

Objectives and Activities for the Public Benefit

The Institution of Chemical Engineers (IChemE) is an internationally recognised professional body committed to advancing the contribution of chemical engineering for the benefit of society.

We develop, maintain, and administer standards of professionalism, education, safety and best practice across all aspects of chemical and process engineering alongside attracting diverse talent into the discipline. We are committed to inspiring early-career professionals to develop their competence, so future-proofing the profession and ensuring that chemical engineers have the knowledge and skills to deliver economic benefit and wellbeing whilst keeping society safe from harm.

Applications for membership and professional registration are carefully assessed through a rigorous peer review process, thereby promoting high standards, competence, and professional development across our community.

We use the knowledge and expertise of our members to inform policy development and advance the practice of chemical engineering globally. We recognise and celebrate excellence in individuals and companies across the discipline.

The Objects of the Institution as set out in the Royal Charter are:

to sustainably benefit the global community by advancing the art, science, application, and professional practice of chemical engineering in all its branches.

The Powers vested in the Institution to achieve these objects are:

- To publish statements in the public interest for the education or information of the general public on matters involving the science or application of chemical engineering.
- To adopt any lawful means conducive to the maintenance of a high standard of professional conduct amongst the members of the Institution.
- To hold or prescribe examinations or other assessments for candidates for election to membership in such classes as set out in the By-laws and to require standards of knowledge and experience approved by the Institution.
- To maintain, under licence from the Engineering Council or the Science Council, or any other successor organisations, or any other appropriate organisations, such Register, or parts thereof, as refer to relevant Chartered Practitioner status or to relevant Technician or other status.
- To hold meetings of the Institution for reading and discussing papers and communications bearing upon the science of chemical engineering or the application thereof or upon subjects relating thereto and generally to advance knowledge of chemical engineering.
- To print, publish, sell, lend, or distribute the proceedings or the reports of the Institution or any papers, communications, works or treatises on chemical engineering or its application or subjects connected therewith or extracts therefrom.
- To co-operate with Government Departments, Universities, other Educational Institutions and public educational authorities for the furtherance of knowledge of and education in chemical engineering, science, or practice.
- To co-operate with any other organisations to advance the cause of chemical engineering or for economic purposes related thereto.
- To do all other things incidental or conducive to the attainment of the above objects or any of them.

Our strategy

Strategy 28+

IChemE's Strategy 28+ sets out the Institution's direction for the five-year period to 2028 and beyond with the aim of putting chemical and process engineering at the heart of a sustainable future, benefitting members, society and the environment.

To achieve our vision of engineering a sustainable future, two strategic goals have been identified supported by five enablers which will need to be underpinned by a responsive, adaptable, sustainable and high performing organisation, driven by purpose and impact.

IChemE will use its expertise, knowledge and reach to support a vibrant and thriving profession, and collaborate with others to serve society, as illustrated through our two strategic goals. Leading, connecting and supporting members and stakeholders will enable IChemE to build a strong community working together to make an impact and contribute positively to the UN's Sustainable Development Goals.

Strategic Goal 1			Strategic Goal 2	
Supporting a vibrant and thriving profession by helping to: <ul style="list-style-type: none"> Contribute demonstrably to the UN Sustainable Development Goals (SDGs) Attract a diverse range of talent into chemical and process engineering Enable members, organisations and society to achieve their potential Lead and support the positive impact chemical and process engineering has on society 			Serving society by collaborating with others through: <ul style="list-style-type: none"> Contributing to the development and sharing of knowledge, skills and research and using this to drive continuous improvement in efficient and safe operations Increasing awareness and understanding of how chemical and process engineering contributes to society through championing and promoting that contribution 	
Enabler 1	Enabler 2	Enabler 3	Enabler 4	Enabler 5
Engaging with governments, industry, employers, academia and the public to further understanding of our profession and its contribution to society.	Supporting and developing members and potential members through all stages of their career journeys. Helping them to understand and realise the benefits of membership in a global community.	Be recognised as a trusted, vibrant professional body using member knowledge and expertise to materially impact the major challenges facing society.	Growing an active, inclusive and engaged membership encompassing the diverse careers and contribution of our profession.	Developing and growing a viable programme of commercial activities to support the Institution's charitable purpose.

Public Benefit

The Institution works to fulfil its goals globally, reflecting its broad and inclusive membership and the wider chemical engineering profession. It benefits the public and society by promoting high standards of engineering competence, professional ethics, safety, and sustainability, thus enabling industry and society to benefit from a competent profession and its practitioners.

The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Institution's aims and objectives and in planning its future activities.

Achievements and performance

The 2024 business plan was the first to fall within Strategy 28+ under the leadership of the new Chief Executive (appointed in April 2023). It identified three priority areas for the year ahead:

- Sustainable membership growth
- Improving member experience
- Making our voice heard

Across all areas of the Institution, IChemE achieved significant progress during 2024 – increasing membership, building its profile with policymakers, and making ourselves more welcoming and inclusive to those working in, and contributing to, chemical, biochemical and process engineering.

Sustainable membership growth

Over recent years to 2024, IChemE reported a modest but steady decline in member numbers. To retain our status as a world-class professional institution, and one of the four principal Professional Engineering Institutions, we have driven efforts to sustainably remediate this position. Our 2024 membership cycle showed 3.5% growth, including a modest 1% improvement in member retention.

Key contributors to this success were:

- Across the institution, focusing departmental business plans on sustainably increasing the number of new members joining IChemE alongside improving the retention rate of existing members. A particular focus has been on:
 - Retaining graduates and those in the early stages of their career with a dynamic, attractive and relevant offer.
 - Attracting members from new and non-traditional industry sectors (e.g. bioengineering, sustainability, agritech) and from alternative technical and vocational routes into the sector in addition to traditional academic routes.
 - Maximising the market engagement in territories where we have an established operations base e.g. UK and Ireland, Australasia, Malaysia.
- Continuously improving our membership processes, ensuring we remove barriers whilst maintaining standards. For example, a more streamlined approach to Fellow membership attracted applications from 20 new prospective members during the pilot; and we improved processes and materials to support accreditation of academic programmes, bringing transparency closer in line with regulatory bodies.

- Working with 60 employers through Accredited Company Training Schemes (ACTS) and our Corporate Partners scheme and consulting with them to refresh our approach, adapting the offer to be more flexible, dynamic and tailored. With our new, more flexible approach from 2025 onwards, we will drive a step change in the number of employers we engage – large multi-nationals to SMEs – to support our growth efforts into a more diverse range of industry sectors, ensuring that we represent the breadth and multidisciplinary nature of our profession.
- Our support for universities and training providers across the UK and internationally saw us accrediting the content of 363 educational programmes from 65 Universities, alongside working in partnership with these organisations to foster good practice.
- To ensure vibrant and thriving member communities across all our key international territories, our National Boards proactively aligned on early plans to achieve our strategic priorities.

Improved member experience

Members are at the heart of our Institution, giving their time and expertise to benefit society, the economy and the planet. We are committed to a member first approach, adapting to meet increasingly diverse member and sector needs and providing world-class support for our members, partners and the profession.

Across all areas of the institution, we have focused on equity of access for all members regardless of their career stage, geography, or situation, resulting in a modest 1% improvement in member retention during 2024 – we aim to increase this by a further 9% in 2025.

Key contributors to this success were:

- Establishing a new Member Experience & Professional Learning function, including a Member Support Centre dedicated to ensuring that all members can access tailored support and guidance by phone, email and other written communications.
- Implementing a thematic communications strategy which has driven a 46% increase in member engagement with e-communications.
- Launching an online community for all 31,000 IChemE members - IChemE Connect - enabling international open channels of engagement, alongside closed communities to support targeted engagement e.g. Women in ChemEng, neurodiversity, disability, LGBTQ+, early careers communities.
- Innovating to continuously expand our generalist professional learning offer and supporting an increasingly diverse membership e.g. patent law, finance management, returning to work, reskilling and changing specialisms. This was provided alongside a growing variety of opportunities for knowledge transfer and sharing of technical expertise through webinars, workshops, guidance and technical reports.
- Offering an expanded Mentoring service covering generic career development alongside dedicated support for professional registration, engaging over 250 members globally.
- Improving the experience of over 3,000 volunteers through augmented support, networking, celebration and recognition activity, including the awarding of digital badges and public thanks aligned with International Volunteering Day.
- Undertaking the latest Royal Academy of Engineering EDI Benchmarking assessment to guide further embedding of good practices globally in the months to come.

Making our voice heard

IChemE continues to leverage its member knowledge and expertise to position ourselves as the voice of chemical engineering in our target markets and spheres of influence. In addition to attracting new members, we are increasingly being recognised by key government committees and departments as a partner of choice who provides trusted expertise and evidence, ultimately influencing policy.

The dissemination of expertise is underpinned by engaging members in generating and sharing knowledge, both through Special Interest Groups and through the Institution's academic journals.

To raise awareness amongst future talent pools, we have committed to impactful support for young people, parents, and teachers through our suite of DiscoverChemEng activities. This helps to achieve a better understanding of chemical engineering, how it impacts daily life, and the range of career opportunities it brings.

Key contributors to this success were:

- Successfully engaging government ministers, committees and departments who are increasingly viewing IChemE as a trusted source of input and advice on key cross-party issues. For example, leading a Parliamentary and Scientific Committee debate on How engineers can contribute to achieving a more sustainable world, and hosting six round table events on a range of prominent topics.
- Developing strategic partnership with key international stakeholders, including, but not limited to: the American Institute for Chemical Engineering (AIChE); Institution of Engineers Malaysia; Zimbabwe Institution of Engineers; and European Young Engineers.
- Expanding the range of journals published by IChemE to ensure our portfolio covers emerging topics and supports IChemE's sustainability goals. Two recently launched journals, Digital Chemical Engineering and Carbon Capture Science and Technology, gained their first impact factors in 2024.
- Launching a suite of internationally agnostic education outreach resources and activities under the DiscoverChemEng umbrella. These have supported staff and members in their efforts to raise the profile and careers opportunities in the sector with over 5,000 young people.
- Engaging almost 100 members in a How I did it campaign - sharing member stories to raise awareness of the breadth and depth of sustainable solutions that the profession contributes to society, clearly aligned to the UN Sustainability Goals.
- Through the IChemE Safety Centre (ISC) we maintain our position as a global leading voice in promoting process safety, advancing the understanding and application of major hazards with over 100 partner companies and other stakeholders.

Plans for the future

Our 2025 business plan builds on the strong progress made over the last twelve months towards the delivery of Strategy 28+. During 2025, we will continue our focus on the three priority areas identified below:

Sustainable membership growth

Ambitious but achievable growth targets (3% to 5% per year) have been set out. The focus continues to be on sustainable growth – attracting new members into the Institution at all levels, ensuring they are then supported, engaged and choose to remain with us as their professional home of choice.

Improving member experience

We will continue to innovate with new, and continuously improving, products and services which attract and retain an increasing number and diversity of members.

Making our voice heard

Aligned to the UN Sustainability Goals, we will continue raising awareness of the pivotal and increasingly advanced role of chemical, biochemical and process engineering in society to government, policy makers and the public.

Financial Review

The financial statements for the year ended 31 December 2024 are set out on pages 22 to 44.

The charity only financial results incorporate the results of the UK and its branch in Australia. The group financial statements also include the results of the Institution's UK trading subsidiary, IChemE Ltd, and the charitable activities of the Institution's subsidiaries in Malaysia and New Zealand.

Unrestricted funds

Total group income for the year was £10,794,000 (2023: £9,850,000). The principal sources of income were from:

- Membership subscription and accreditation fees totalling £4,645,000 (2023: £4,560,000).
- IChemE's training course activity generated £2,898,000 (2023: £2,379,000) in delegate fees. A further £840,000 (2023: £693,000) was received from attendance and sponsorship of major conferences and the global awards event.
- Royalty fees from our journals and sales of publications totalling £1,795,000 (2023: £1,623,000).
- Income from the Institution's knowledge communities of £423,000 (2023: £380,000), the majority of which relates to company subscriptions to the IChemE Safety Centre. Other income from collaboration with other entities generated £8,000 (2023: £18,000).
- The income of the Institution's trading subsidiary IChemE Ltd, which is generated mainly through the sale of advertising space in *The Chemical Engineer*, was £126,000 (2023: £129,000).
- There were no donations or legacies received or notified to the Institution in 2024.
- Dividends and interest on the Institution's investment portfolio was £59,000 (2023: £68,000).

Total group expenditure for the year was £9,828,000 (2023: £8,783,000). Expenditure has increased as a direct result of an increase in the training course and events activity. In addition, a new Member Experience and Professional Learning function has been established to improve member engagement and support.

Overall net income before gains on investment funds, was £966,000 (2023: £1,067,000). Unrealised gains on investments for the year were £253,000 (2023: £39,000) resulting in an overall net income of £1,219,000 (2023: £1,106,000).

After the other recognised gains or losses; actuarial gains on the defined benefit pension scheme of £963,000 (2023: losses £293,000); as well as exchange losses on the retranslation of the balance sheets of the foreign branches and subsidiaries of £39,000 (2023: £44,000), the unrestricted fund balance at year end increased by £2,143,000 to £7,722,000 (2023: £5,579,000).

The Institution's wholly owned trading subsidiary, IChemE Ltd, achieved an operating profit of £72,000 (2023: £71,000), which has been gift aided to the Institution. The results of the UK trading subsidiary and of the subsidiary undertakings in Malaysia and New Zealand are set out in note 2 to the financial statements.

Restricted funds

Restricted funds are income funds that can only be used for specific purposes which have been specified by the donor, or by the terms applied to an appeal for funds.

The net expenditure on restricted funds for 2024 was £141,000 (2023: £138,000). The total restricted fund balance at year end was £790,000 (2023: £931,000).

The movement in restricted income funds is set out in note 14 to the financial statements.

Investment policy and powers

Investments are held in accordance with the By-laws of the Institution. The Trustees have the power to invest all monies not immediately required for operational activities as it sees fit and to appoint advisers to make such investments on its behalf.

IChemE continues to use the services of an independent financial advisor to review and monitor the investment portfolio. The performance of the funds and ongoing investment strategy is formally reviewed by the Finance & HR Committee throughout the year.

The investment policy adopted by the Trustees is to achieve a target return of CPI + 3% over a 5-year rolling basis and over a rolling 3-year period to achieve a minimum return of CPI. The Institution's investment objective remains to achieve long term capital growth with income.

The investment portfolio is split between Rathbones Investment Management Limited and Ruffer LLP. Both organisations are working to this investment policy and apply their individual judgement for asset allocation and investment selection to achieve the investment objective.

The Trustees have considered their approach to ESG (Environmental, Social and Governance) within the investment strategy. The approach currently taken is not to specifically exclude any assets or investments, or to hold dedicated ESG investment funds. Both Rathbones and Ruffer consider ESG factors when evaluating investments and have their own ESG scoring mechanism for companies included within the investment portfolio. They work to improve ESG within those companies through active engagement and influence.

During the year, the investment funds received £59,000 (2023: £68,000) in interest and dividends, and incurred management fees of £37,000 (2023: £50,000). The funds generated unrealised gains of £253,000 (2023: £39,000). The total return for the year, taking into account all income, management fees and market value movements, was an increase of 4.5% (2023: 1.0%).

No disinvestments were made from the funds in 2024 (2023: *£nil*). All income received during the year has been re-invested.

The Institution's investments are recorded at market value. The market value of the investment portfolio at 31 December 2024 was £6,670,000 (2023: £6,385,000). The gains and losses on revaluation have been recognised in the Statement of Financial Activities.

Reserves policy

The Institution holds two types of reserves – unrestricted and restricted. The group reserves additionally includes unrestricted reserves held in subsidiary companies.

Free reserves are calculated as the unrestricted general fund balance excluding any tangible fixed assets. These are the funds freely available to spend on the Institution's charitable activities and therefore also exclude both restricted funds and funds that have been designated by the Board of Trustees.

For the calculation of free reserves, the Board of Trustees has also excluded the FRS 102 defined benefit pension valuation included on the balance sheet, replacing it in the calculation with a consideration of the risk of future contributions outside normal operating surpluses being required. This approach reflects the risk of future cash outflows rather than just a consideration of the annual actuarial value of the liability.

The Finance and HR Committee reviews the Institution's reserves policy and level of free reserves held on an annual basis. The Committee considers all relevant information including the five-year budget and business plan, the strategic plan and the risks identified in the risk register.

During 2024, the Board of Trustees, on the recommendation of the Finance & HR Committee, updated the reserves policy and target free reserves level to be more risk focussed and flexible to changes in the Institution's operations. The review took into account the ambitious growth targets and cost base of the Institution predicted over the next five years, which will bring an increased risk associated with variances to budget and a shortfall in income in any given year.

The revised target level adopted by the Trustees is that a range of between £6m-£8m is held in free reserves. The rationale for holding this level of reserves is:

- to meet working capital requirements
- to safeguard the organisation against unexpected financial challenges such as a sudden reduction in income, unforeseen expenditure, or a fall in the market value of the investments;
- to ensure that the organisation can continue to provide services to its members in the event of financial or operational disruption;
- to cover any unexpected contributions in respect of the defined benefit pension scheme;
- to support strategic initiatives and opportunities that may require funding over the medium to long term;
- to cover committed costs should the Institution be unable to continue.

The target level of reserves will be reviewed annually and where appropriate updated to reflect changes in risk and operational needs.

The level of unrestricted free reserves available at the year-end was £8,364,000 (2023: £7,613,000), which is in line with the reserves policy. This excludes tangible fixed assets of £795,000 (2023: £608,000), the designated fund balance of £350,000 (2023: £350,000), the restricted fund balance of £790,000 (2023: £931,000), and the pension valuation of £1,787,000 (2023: £2,992,000) as it represents the pension liability recorded in the group and charity balance sheet and is calculated annually for accounting purposes under FRS102. The liability does not result in any immediate requirement to pay this amount to the pension scheme, and the Institution aims to meet the ongoing cash contributions into the Scheme through budgeted income.

The Trustees have considered the level of reserves held at year end and believe they are sufficient to protect IChemE from serious disruption to its work.

Structure, Governance and Management

Governing Document

The Institution of Chemical Engineers was founded in 1922 and incorporated by Royal Charter in 1957.

The governing documents under which the Institution operates comprise the Royal Charter, as amended, the By-laws of the Institution, and Regulations made from time to time by the Board of Trustees, which is the Institution's governing body.

The Institution is a registered charity in England & Wales and a charity registered in Scotland.

Appointment of Trustees

The Trustees are elected in accordance with the Royal Charter and By-laws and the Board comprises the following roles:

- President
- Deputy President
- Immediate Past President
- Treasurer
- three Vice-Presidents
- three ordinary members
- two regional members

The President, Deputy President and Immediate Past President are elected annually. Those eligible for election as President shall be the Deputy President or, if in the opinion of the Board of Trustees special circumstances exist, a Fellow. The person eligible as Immediate Past President shall be the retiring President.

The Treasurer, Vice-Presidents, ordinary members, and regional members of the Board shall be elected for a term not exceeding three years nor less than one year.

Trustee induction and training

All new Trustees receive an induction pack including the By-laws and Regulations of the Institution, recent minutes of meetings, and the relevant Charity Commission publications outlining their roles and responsibilities as a Charity Trustee. An induction programme takes place annually for all new Trustees, also available for existing Trustees, to get an oversight of the structure of the Institution and its activities.

Trustees have a legal duty to avoid conflicts of interest so that they can focus exclusively on the best interests of the Institution. The Institution maintains a register of interests, which is updated annually or when any changes are reported by Trustees. Procedures are in place for managing conflicts of interest that may arise during Trustee meetings.

Institution structure

The Board of Trustees is the governing body of the Institution and has ultimate responsibility for providing strategic direction and for ensuring that the charitable objects set out in the governing document are met. The Board of Trustees meets formally at least four times a year to review performance against these objects.

Congress is the representative advisory body serving as a link between the Institution's members and the Board of Trustees. Congress consists of up to forty-one members, all members of the Institution, who are nominated and elected by their peers from a membership or geographical college.

The Congress Steering Group is responsible for the oversight and facilitation of the conduct of Congress and the engagement of Congress members. The Steering Group consists of the Congress Chair, Vice-Chair, the Chief Executive, and a designated Trustee lead.

Congress holds up to three sessions a year, which are held as online open forums each lasting up to thirty days. The agenda for the sessions is determined by the Chair of Congress in consultation with the Congress Steering Group.

The Chief Executive is appointed by the Board of Trustees and has delegated authority for the day-to-day operation of the Institution, its branches, and subsidiary undertakings. The Chief Executive is supported by the Senior Management Team.

The Board of Trustees are the registered Trustees of IChemE's branch in Australia, which is registered with the Australian Charities and Not-for-profits Commission. The branch has a National Board to advise the Trustees on how IChemE's strategy can be delivered locally.

The Institution's operations in Malaysia and New Zealand each have their own National Boards operating under delegated authority from the Board of Trustees and in compliance with local regulatory requirements.

The Institution has a wholly owned trading subsidiary in the UK, IChemE Ltd, established to operate the sale of advertising space in the Institution's journals and publications. The company gift aids its taxable profits to the Institution.

In addition to Congress and the local National Boards, there are a number of standing Committees operating under delegated authority from the Board of Trustees which have been established to facilitate the efficient operation of the charity. These consist of:

- Qualifications Committee
- Learned Society Committee
- Member Engagement Committee
- Governance Committee
- Finance & HR Committee
- Audit and Risk Committee
- Succession Planning Committee
- Nominations Committee
- Professional Conduct Pool
- Commercial Committee

The Scheme of Delegation, which is reviewed annually, sets out the powers delegated to these Committees.

The Institution also has an extensive network of National, Regional and Special Interest Groups enabling members to get involved in the Institution's activities. Each group has its own committee, made up of members of the Institution, who meet regularly throughout the year. The activities conducted by the Groups include technical meetings, continuing professional development, school liaison visits, and networking events.

Staff participation is encouraged at all levels in the making of decisions which affect the Institution's management and future development. Regular meetings are held to update all staff on the Institution's activities and other emerging issues.

Volunteers

The voluntary effort and contribution on the part of our members is at the heart of the Institution's success and their expertise is vital to enable IChemE to deliver across a number of activities including the professional review process by which members are assessed for qualification to membership; representation on the Board of Trustees, Congress and aligned committees; acting as STEM ambassadors and career advocates to young people, parents and other influencers; and contributing to technical knowledge and insights that benefits the profession and brings public value.

All volunteers give their time on a voluntary basis.

Fundraising

The Institution does not actively undertake any fundraising activities from the general public or use the services of professional fundraisers or commercial participators.

The Institution is not bound by any regulatory scheme and is not subject to any voluntary code of practice regulating fundraising.

No complaints have been received by the Institution in relation to fundraising activities.

Remuneration policy for key management personnel

The Institution considers its key management personnel to comprise the Board of Trustees, the Chief Executive, and the Senior Management Team. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions can be found in notes 8 and 16 to the accounts.

The pay of the Chief Executive and Senior Management Team is set and monitored by the Finance & HR Committee.

The Institution is committed to ensuring that it pays its staff fairly and in a way which ensures it attracts and retains appropriately qualified staff to lead, manage, support and deliver the Institution's charitable objects.

Professional advice is sought where appropriate to establish appropriate benchmark levels for each position or group of positions within the organisation structure. These benchmark rates are reviewed regularly. When inflation is relatively low this review may not be annual and so an interim inflationary adjustment to the benchmark salary level may be made.

The Institution does not employ interns without pay and it complies with the living wage for all staff.

In addition to financial remuneration, the Institution seeks to provide staff with a supportive working environment and wherever possible works to promote the wellbeing of staff and satisfactory work-life balance.

Risk management

The Trustees are responsible for overseeing risk management across the organisation and for ensuring that a sound system of internal control is maintained that supports the achievement of IChemE's strategic aims and objectives. The day-to-day management of risk is delegated to the Chief Executive and the Senior Management Team. The Audit & Risk Committee is responsible for assessing the effectiveness of risk management and internal controls across the organisation.

A strategic risk register is maintained by the Senior Management Team and is updated on a regular basis. The Audit & Risk Committee regularly reviews the risk register, concentrating on the highest scoring risks and their control and mitigation measures.

The business planning and budgeting cycle is used to set objectives for the following five years, agree action plans, allocate resources, and to identify new risks or changes in existing risks or their control measures. Progress towards meeting the objectives and annual budget is monitored on a monthly basis by the Senior Management Team.

The Trustees receive an annual report highlighting the top strategic risks. Significant changes in risk items will also be reported to the Trustees as required.

The highest rated strategic risks in 2024 which could impact the delivery of the strategy are listed below.

Risk	Control and Mitigation Measures
Continuity of membership revenue	Renewed focus on recruiting members at all grades and demonstrating value proposition of membership through increased engagement. Raising awareness of routes and careers in sector through substantial growth of DiscoverChemEng activities. Concerted focus on simplifying routes into membership.
Continuity of commercial revenue	Formal and informal market research/customer feedback analysis to ensure product offering meets requirements; competitor analysis; widening of trainer pool in key markets. Continued monitoring of academic publishing model to ensure the journal's model remains suitably robust. Regular meetings with partners and other key suppliers.
Failure to effectively articulate IChemE's voice and impact for members and on society	Increased engagement with government and other bodies, working towards becoming a trusted advisor to governments, policymakers, and the public. Introduction of roundtable discussions with other PEIs, regulatory bodies, industry, and academia on topics where chemical and process engineering can support public policy and awareness.
Compliance and risk management	Regular review of our operations to ensure governance structure and oversight remains appropriate. Scheme of Delegation established clearly setting out decisions delegated to committees of the Board of Trustees and the Executive team. Use advisors as necessary in the UK and at a local level for overseas branches and subsidiaries – including employment law and health & safety. Refresh and rollout of key policies and guidance for staff and volunteers i.e. GDPR, cyber security, safeguarding etc.
Failure to innovate and exploit opportunities	Continuous review and updating of member benefits to ensure relevance, perceived value and futureproofing. Revised approach to partnerships to a more flexible model to meet the needs of a more diverse range of partners.

The Trustees are satisfied that reasonable steps are being taken to limit the probability and the impact of risk.

Statement of Trustees responsibilities

The Trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and regulations.

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

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

- select suitable accounting policies and then applies them consistently.
- make judgements and estimates that are reasonable and prudent.
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Institution will continue its activities.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Trustees on 15 April 2025 and signed on its behalf by:



Mr M Apsey
President



Dr DW Edwards
Honorary Treasurer

Independent Auditor's Report to the Trustees of the Institution of Chemical Engineers

Opinion

We have audited the financial statements of the Institution of Chemical Engineers (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Consolidated and Charity Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated and Charity Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 parent charity's affairs as at 31 December 2024 and of the group's and parent charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

Basis for opinion

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under section 151 of the Charities Act 2011 and report in accordance with regulations made under those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity 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 or parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' annual report; or
- proper and sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 17 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 and 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 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charity operate in and how the group and parent charity are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS102), Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011, the parent charity's governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to General Data Protection Regulation (GDPR). We performed audit procedures to inquire of management and those charged with governance whether the group/charity is in compliance with these laws and regulations and read minutes.

The audit engagement team identified the risks of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and testing of income transactions around the period end.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <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 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Statutory Auditor
103 Colmore Row
Birmingham
B3 3AG

Date:

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

Consolidated statement of financial activities for the year ended 31 December 2024

	Note	Unrestricted Funds £000	Restricted Funds £000	Total 2024 £000	Unrestricted Funds £000	Restricted Funds £000	Total 2023 £000
INCOME							
Charitable activities:	3						
Qualifications & Membership		4,645	-	4,645	4,565	-	4,565
Knowledge, Training, Promotion & Events		5,964	21	5,985	5,088	20	5,108
Other trading activities:							
Trading operations	2	126	-	126	129	-	129
Investments	4	59	-	59	68	-	68
TOTAL INCOME		10,794	21	10,815	9,850	20	9,870
EXPENDITURE ON							
Raising funds:							
Trading operations	2	(54)	-	(54)	(58)	-	(58)
Investment management costs		(37)	-	(37)	(50)	-	(50)
Charitable activities:	5						
Qualifications & Membership		(4,383)	-	(4,383)	(3,573)	-	(3,573)
Knowledge, Training, Promotion & Events		(5,354)	(162)	(5,516)	(5,102)	(158)	(5,260)
TOTAL EXPENDITURE		(9,828)	(162)	(9,990)	(8,783)	(158)	(8,941)
Net gains on investments	10	253	-	253	39	-	39
NET INCOME / (EXPENDITURE)		1,219	(141)	1,078	1,106	(138)	968
Transfer between funds:	14	-	-	-	-	-	-
Other recognised gains / (losses):							
Actuarial gains / (losses) on defined benefit pension schemes	20	963	-	963	(293)	-	(293)
Exchange (losses) arising from retranslation of foreign branches & subsidiaries		(39)	-	(39)	(44)	-	(44)
NET MOVEMENT IN FUNDS		2,143	(141)	2,002	769	(138)	631
Fund balances brought forward at 1 January		5,579	931	6,510	4,810	1,069	5,879
Fund balances carried forward at 31 December		7,722	790	8,512	5,579	931	6,510

The results relate to the continuing activities of the Institution. The group has no recognised gains or losses other than the net movement in funds for the year.

The notes on pages 26 to 44 form part of these financial statements.

Charity statement of financial activities for the year ended 31 December 2024

	Note	Unrestricted Funds £000	Restricted Funds £000	Total 2024 £000	Unrestricted Funds £000	Restricted Funds £000	Total 2023 £000
INCOME							
Gift aid from subsidiary company	2	72	-	72	71	-	71
Charitable activities:	3						
Qualifications & Membership		4,645	-	4,645	4,557	-	4,557
Knowledge, Training, Promotion & Events		5,930	21	5,951	4,895	20	4,915
Investments	4	59	-	59	68	-	68
TOTAL INCOME		10,706	21	10,727	9,591	20	9,611
EXPENDITURE ON							
Raising funds:							
Investment management costs		(37)	-	(37)	(50)	-	(50)
Charitable activities:	5						
Qualifications & Membership		(4,335)	-	(4,335)	(3,536)	-	(3,536)
Knowledge, Training, Promotion & Events		(5,297)	(162)	(5,459)	(4,888)	(158)	(5,046)
TOTAL EXPENDITURE		(9,669)	(162)	(9,831)	(8,474)	(158)	(8,632)
Net gains / (losses) on investments	10	253	-	253	39	-	39
NET INCOME / (EXPENDITURE)		1,290	(141)	1,149	1,156	(138)	1,018
Transfer between funds:	14	-	-	-	-	-	-
Other recognised (losses) / gains:							
Actuarial gains / (losses) on defined benefit pension schemes	20	963	-	963	(293)	-	(293)
Exchange (losses) arising from retranslation of foreign branches & subsidiaries		(29)	-	(29)	(39)	-	(39)
NET MOVEMENT IN FUNDS		2,224	(141)	2,083	824	(138)	686
Fund balances brought forward at 1 January		5,530	931	6,461	4,706	1,069	5,775
Fund balances carried forward at 31 December		7,754	790	8,544	5,530	931	6,461

Balance sheets at 31 December 2024

	Note	Group 2024 £000	2023 £000	Charity 2024 £000	2023 £000
Fixed assets					
Tangible assets	9	795	608	795	608
Investments	10	6,670	6,385	6,670	6,385
		7,465	6,993	7,465	6,993
Current assets					
Debtors	11	1,544	1,224	1,747	1,368
Cash at bank and in hand		4,411	4,620	4,184	4,370
		5,955	5,844	5,931	5,738
Creditors: Amounts falling due within one year	12	(3,121)	(3,335)	(3,065)	(3,278)
Net current assets		2,834	2,509	2,866	2,460
Total net assets before pension deficit		10,299	9,502	10,331	9,453
Pension scheme funding deficit	20	(1,787)	(2,992)	(1,787)	(2,992)
Total net assets after pension deficit		8,512	6,510	8,544	6,461
Income Funds					
Unrestricted funds					
General funds		9,159	8,221	9,191	8,172
Designated funds	15	350	350	350	350
Pension reserve	20	(1,787)	(2,992)	(1,787)	(2,992)
		7,722	5,579	7,754	5,530
Restricted funds	14	790	931	790	931
Total funds		8,512	6,510	8,544	6,461

These financial statements were approved by the Board of Trustees and authorised for issue on 15 April 2025.

Mr M Apsey



Consolidated cash flow statement for the year ended 31 December 2024

	<i>Note</i>	2024	2023
		£000	£000
Cash flows from operating activities	18	185	1,414
<hr/>			
Cash flows from investing activities:			
Dividends and interest from investments	4	59	68
Purchase of fixed asset investments	10	(1,473)	(3,135)
Proceeds from sale of investments	10	1,414	3,067
Purchase of property, plant & equipment	9	(288)	(39)
Net cash (used in) investing activities		(288)	(39)
<hr/>			
Change in cash and cash equivalents in the reporting period		(103)	1,375
Cash and cash equivalents at the start of the reporting period		4,620	3,320
Change in cash and cash equivalents due to exchange rate movements		(106)	(75)
<hr/>			
Cash and cash equivalents at the end of the reporting period		4,411	4,620

Charity cash flow statement for the year ended 31 December 2024

	<i>Note</i>	2024	2023
		£000	£000
Cash flows from operating activities	18	165	1,511
<hr/>			
Cash flows from investing activities:			
Dividends and interest from investments	4	59	68
Purchase of fixed asset investments	10	(1,473)	(3,135)
Proceeds from sale of investments	10	1,414	3,067
Purchase of property, plant & equipment	9	(288)	(39)
Net cash (used in) investing activities		(288)	(39)
<hr/>			
Change in cash and cash equivalents in the reporting period		(123)	1,472
Cash and cash equivalents at the start of the reporting period		4,370	2,933
Change in cash and cash equivalents due to exchange rate movements		(63)	(35)
<hr/>			
Cash and cash equivalents at the end of the reporting period		4,184	4,370

Notes forming part of the financial statements for the year ended 31 December 2024

1. Accounting policies

Basis of preparation

The 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) – (Charities SORP (FRS 102)); and the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements are presented in Sterling (£) and are rounded to the nearest thousand pounds.

The Institution meets the definition of a public benefit entity as defined by FRS 102.

Preparation of the accounts on a going concern basis

The Trustees have assessed whether the use of a going concern basis is appropriate when preparing these financial statements and have concluded that there are no material uncertainties about the Institution's ability to continue as a going concern, and that the Institution has sufficient cash reserves to continue to meet its liabilities as they fall due.

In arriving at this decision, the Trustees have taken into account: the group's financial performance during 2024; the budgets and cashflow predictions for the next five-year period; and the level of free reserves held at year-end.

The principal accounting policies adopted by the Institution are set out below:

Basis of consolidation

The financial statements consolidate the financial statements of the UK and Australian branch, its wholly owned UK trading subsidiary IChemE Ltd and its not-for-profit subsidiaries IChemE in Malaysia, IChemE in New Zealand and IChemE in Singapore Ltd, by virtue of the control exercised by the charity. The results of the subsidiaries are consolidated on a line-by-line basis. The results of the subsidiaries are summarised in note 2 of the financial statements.

Income

Income is recognised when the Institution has entitlement to the income, any performance conditions attached to the income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Donations are recognised when the Institution has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably. When donors specify that donations are to be used for a specific purpose, they will be included in income as a restricted fund when receivable.

1. Accounting policies (*continued*)

Legacy gifts are recognised on a case-by-case basis following the granting of probate when the administrator of the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Subscriptions and events income are accounted for in the year to which they apply. Subscription income received during the year that relates to a subsequent financial accounting period is carried forward as a creditor in the balance sheet and shown as deferred income.

Interest and dividends on investments are accounted for when receivable.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal and constructive obligation committing the Institution to the expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is included in the statement of financial activities on an accruals basis.

Expenditure is recorded net of value added tax unless irrecoverable.

All expenditure, including support costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities.

Allocation of support and governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

Governance and support costs relating to charitable activities have been apportioned on the basis of staff costs associated with each activity. The allocation of support and governance costs is analysed in note 6.

Operating leases

Operating lease rentals are charged to the statement of financial activities on a straight-line basis over the terms of the lease.

Tangible fixed assets and depreciation

Fixed assets are recorded at cost or valuation, net of depreciation and any provision for impairment.

Expenditure on individual fixed assets costing over £2,500 is capitalised.

Depreciation is charged on a straight-line basis to write off the cost or valuation less the estimated residual value of assets over their estimated useful lives as at the following rates:

Freehold buildings	-	5%
Office equipment	-	15%
Computer software	-	33%

Freehold land is not depreciated.

1. Accounting policies (*continued*)

Investments

Fixed asset investments are initially recorded at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing bid price. The statement of financial activities includes the net gains or losses arising on revaluation and disposals throughout the year.

Realised gains or losses on investments are calculated as the difference between the sales proceeds and their fair value at 31 December (or historical cost if purchased within the year). Unrealised gains or losses are derived from the movement in fair values during the year.

The Institution does not acquire put options, derivatives or other complex financial instruments.

Fund accounting

The Institution has different types of funds which require separate disclosure. These are as follows:

- Restricted income funds - these are earmarked by the donor for specific purposes within the overall aims of the Institution. The income generated must be used in accordance with the specific purpose.
- Unrestricted funds - these funds comprise funds which are expendable at the discretion of the Board of Trustees in connection with the objects of the Institution. Designated funds comprise unrestricted funds that have been set aside by the Trustee for a particular purpose.

Foreign exchange gains and losses

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken through the statement of financial activities.

Pension costs

Employees of the charity are entitled to join a group personal pension plan. This is a defined contribution pension scheme with assets held in the names of the individual members. The charity contribution is restricted to the contributions disclosed in note 20. The costs of the defined contribution scheme are included within staff costs and are charged to the statement of financial activities in the year in which they become payable.

The charity also operates a defined benefit pension scheme. The scheme was closed to new members and future service accruals in 2006. The assets of the scheme are held separately from those of the Institution in an independently administered fund.

The difference between the fair value of the assets held in the defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the balance sheet as a pension asset or liability as appropriate. Changes in the defined pension scheme asset or liability arising from factors other than cash contribution by the Institution are charged to the Statement of Financial Activities in accordance with FRS 102.

1. Accounting policies (*continued*)

Provisions

Provisions are recognised when the Institution has a present obligation, legal or constructive, as a result of a past event, it is probable that the Institution will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Financial instruments

Financial assets, other than fixed asset investments, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and underlying assumptions are continually reviewed.

The following are critical judgements that the Trustees have made in the process of applying the Institution's accounting policies:

- determining whether leases entered into by the group either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.

Other key sources of estimation uncertainty:

- Tangible fixed assets (see note 9). Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of these assets are assessed annually and may vary depending on a number of factors. In assessing asset lives, factors such as life cycle and maintenance programmes are taken into account. Residual value assessments consider issues such as the remaining life of the asset and project disposal values.
- Trade debtors (see note 11). At each reporting date, trade debtors are assessed for recoverability. If there is any evidence of impairment, the carrying amount of the debtor is reduced to its recoverable amount. The impairment loss is recognised immediately in the income statement.
- Pensions costs (see note 20). The defined benefit pension scheme obligations are based on actuarial assumptions such as discount rate, the expected rate of return on scheme assets, and mortality rates, which are extensively detailed in note 20.

2. Results of subsidiaries

The summary financial performance and position of the subsidiaries is shown below:

	IChemE Ltd	IChemE in New Zealand	IChemE Malaysia Sdn Bhd	2024 Total	2023 Total
	£000	£000	£000	£000	£000
Income	126	-	76	202	361
Expenditure	(54)	(31)	(116)	(201)	(339)
Net income / (expenditure)	72	(31)	(40)	1	22
Amount gift aided to the Institution	(72)	-	-	(72)	(71)
Retained in subsidiary	-	(31)	(40)	(71)	(49)

Balance sheets

	IChemE Ltd	IChemE in New Zealand	IChemE Malaysia Sdn Bhd	2024 Total	2023 Total
	£000	£000	£000	£000	£000
Fixed assets	-	-	-	-	-
Current assets	153	106	27	286	283
Current liabilities	(153)	(59)	(106)	(318)	(234)
Net current assets	-	47	(79)	(32)	49
Total net assets	-	47	(79)	(32)	49

IChemE Ltd (company number 2817128) is a company limited by shares, incorporated in the United Kingdom.
 IChemE in New Zealand (society number 980425) is an incorporated society in New Zealand.
 IChemE Malaysia Sdn Bhd (company number 1390908-U).

3. Analysis of income from charitable activities

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Qualifications & Membership:				
Membership subscription and accreditation fees	4,645	4,560	4,645	4,552
Knowledge, Training, Promotion & Events:				
Journals & publications	1,795	1,623	1,795	1,623
Knowledge communities	423	380	409	358
Conferences, seminars & events	840	693	827	542
Provision of training	2,898	2,379	2,891	2,358
Other income	8	18	8	18
Subscriptions to technical centres (restricted funds)	21	20	21	20
	10,630	9,673	10,596	9,471

4. Investment income

Group and Charity	2024 £000	2023 £000
Interest receivable	7	6
Dividends receivable	52	62
	59	68

5. Analysis of expenditure on charitable activities

Group	Direct activity costs £000	Support costs £000	2024 Total £000	2023 Total £000
Qualifications & Membership	2,614	1,769	4,383	3,573
Knowledge, Training, Promotion & Events	3,987	1,529	5,516	5,260
	6,601	3,298	9,899	8,833

Expenditure on charitable activities was £9,899,000 (2023: £8,833,000) of which £9,737,000 was unrestricted (2023: £8,675,000) and £162,000 was restricted (2023: £158,000).

Charity	Direct activity costs £000	Support costs £000	2024 Total £000	2023 Total £000
Qualifications & Membership	2,612	1,723	4,335	3,536
Knowledge, Training, Promotion & Events	3,945	1,514	5,459	5,046
	6,557	3,237	9,794	8,582

Expenditure on charitable activities was £9,794,000 (2023: £8,582,000) of which £9,632,000 was unrestricted (2023: £8,424,000) and £162,000 was restricted (2023: £158,000).

Net income for the year is stated after charging / (crediting):

	Group		Charity	
	2024 £000	2023 £000	2024 £000	2023 £000
Depreciation	101	78	101	78
Operating leases:				
Plant and machinery	6	3	6	3
Land and buildings	57	55	52	51
Exchange rate differences	(36)	(30)	(31)	(40)

6. Analysis of governance and support costs

Included within expenditure on charitable activities are governance and support costs amounting to £3,299,000 (2023: £2,772,000). These are analysed as:

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Staff costs	1,179	996	1,138	951
Finance	430	363	426	356
IT	551	588	549	586
Facilities & HR	958	654	948	648
Management & Governance	181	171	175	166
	3,299	2,772	3,236	2,707

The governance and support costs have been apportioned across the charitable activities on the basis of staff time associated with each activity. The charge to each activity was as follows:

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Qualifications & Membership	1,769	1,384	1,723	1,349
Knowledge, Training, Promotion & Events	1,530	1,388	1,514	1,358
	3,299	2,772	3,237	2,707

Analysis of governance costs:

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Legal and Professional Fees	61	27	59	26
External Audit	47	44	40	37
AGM & EGM Expenses	9	6	8	6
Electoral Services	4	2	4	2
	121	79	111	71

7. Analysis of trustee remuneration and expenses

Group and Charity	2024	2023
	£000	£000
Expenses paid to or on behalf of 14 (2023: 12) Trustees in respect of travel, subsistence, and accommodation costs	29	41

The Trustees give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2023: £nil).

8. Analysis of staff costs and remuneration to key management personnel

The average monthly headcount for the group during the year was 97 (2023: 92) and for the charity 92 (2023: 88). The number of full-time equivalent persons employed by the group and charity during the year was as follows:

	Group		Charity	
	2024	2023	2024	2023
Qualifications & Membership	36	31	33	29
Knowledge, Training, Promotion & Events	35	35	35	35
Management and Administration	18	20	17	18
	89	86	85	82

The aggregate payroll costs of these persons were as follows:

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Wages and salaries	3,818	3,493	3,754	3,438
Social security costs	345	323	344	322
Pension scheme contributions	608	399	602	394
Defined benefit pension scheme operating costs	103	102	103	102
Employee benefits	61	60	61	60
	4,935	4,377	4,864	4,316

During 2024, £59,000 (2023: *£nil*) was paid out as redundancy or termination payments, which is included in the table above.

The numbers of employees, including the Chief Executive, whose total employee benefits, excluding employer pension contributions, exceeded £60,000, fell within the following ranges:

	Group		Charity	
	2024	2023	2024	2023
£ 60,001 - £70,000	1	5	1	5
£ 70,001 - £80,000	2	1	2	1
£ 80,001 - £90,000	3	-	3	-
£ 90,001 - £100,000	1	2	1	2
£ 100,001 - £110,000	1	1	1	1
£ 110,001 - £120,000	-	1	-	1
£ 120,001 - £130,000	1	-	1	-
£ 150,001 - £160,000	-	1	-	1
£ 210,001 - £220,000	1	-	1	-

The number of employees who earned more than £60,000 for whom pension benefits are accruing under the defined contribution pension scheme is 10 (2023: 11). Contributions in respect of these employees amounted to £163,000 (2023: £105,000). The Institution considers its key management personnel to comprise the Board of Trustees, the Chief Executive, and the Senior Management Team. The total employment benefits of key management personnel staff, including employer pension contributions and employer's national insurance, were £1,026,000 (2023: £810,000).

9. Tangible fixed assets

Group	Freehold Property £000	Office Equipment & Computers £000	Total £000
Cost or valuation			
At beginning of year	1,800	198	1,998
Additions	-	288	288
Disposals	-	(84)	(84)
At end of year	1,800	402	2,202
Depreciation			
At beginning of year	1,231	159	1,390
Charge for the year	76	25	101
Disposals	-	(84)	(84)
At end of year	1,307	100	1,407
Net book value			
At 31 December 2024	493	302	795
At 31 December 2023	569	39	608

Charity	Freehold Property £000	Office Equipment & Computers £000	Total £000
Cost or valuation			
At beginning of year	1,800	198	1,998
Additions	-	288	288
Disposals	-	(56)	(84)
At end of year	1,800	402	2,202
Depreciation			
At beginning of year	1,231	159	1,390
Charge for the year	76	25	101
Disposals	-	(84)	(84)
At end of year	1,307	100	1,407
Net book value			
At 31 December 2024	493	302	795
At 31 December 2023	569	39	608

Freehold property at 31 December 2024 includes land at valuation of £280,000 (2023: £280,000) which is not depreciated.

10. Fixed Asset Investments

Group and Charity	2024 £000	2023 £000
Fair value at 1 January	6,385	6,319
Acquisitions at cost	1,474	3,135
Proceeds of disposals	(1,442)	(3,108)
Net gains on revaluation	253	39
Fair value at 31 December	6,670	6,385
Historical cost at 31 December	3,798	3,766

All investments are carried at their fair value. An analysis of the fair value of the investments at 31 December 2024 is as follows:

Group and Charity	2024 £000	2023 £000
Equities	3,871	3,169
Fixed Interest	2,099	2,196
Other	571	809
Cash	129	211

Investment in Subsidiaries

The Institution holds 2 shares of £1 each in its wholly owned trading subsidiary company IChemE Ltd which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid.

A new private limited company was established in Malaysia in October 2020, IChemE Malaysia Sdn Bhd. The Institution holds 100 shares of MYR 1 each in the wholly owned subsidiary.

The activities and results of these companies are summarised in note 2.

11. Debtors

	Group		Charity	
	2024 £000	2023 £000	2024 £000	2023 £000
Trade debtors	333	339	308	294
Amount due from subsidiaries	-	-	262	213
Other debtors	28	4	28	3
Prepayments and accrued income	1,183	881	1,149	858
	1,544	1,224	1,747	1,368

12. Creditors: amounts falling due within one year

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Trade creditors	506	398	488	395
Other creditors	335	373	335	362
Taxation and social security	237	250	230	244
Accruals	244	494	218	472
Deferred income	1,799	1,820	1,794	1,805
	3,121	3,335	3,065	3,278

Deferred income relates to annual subscriptions payments and events income which have been paid to the Institution in advance. All deferred income is released to the statement of financial activities in the following year.

13. Commitments

Total future commitments under non-cancellable operating leases are as follows:

Group	2024		2023	
	Land and buildings	Other	Land and Buildings	Other
	£000	£000	£000	£000
Amounts falling due:				
In less than one year	63	5	38	6
In the second to fifth years inclusive	36	3	-	6
Over five years	-	-	-	-
	99	8	38	12

Charity	2024		2023	
	Land and buildings	Other	Land and Buildings	Other
	£000	£000	£000	£000
Amounts falling due:				
In less than one year	56	5	34	6
In the second to fifth years inclusive	36	3	-	6
Over five years	-	-	-	-
	92	8	34	12

A first charge of £500,000 was placed on the freehold premises at Rugby in favour of the Defined Benefit Pension Scheme in March 2017.

14. Analysis of movements in restricted funds

Group and Charity	International Process Safety Group (IPSG) £000	Medals & Awards (MM Sharma / SIESO) £000	Andrew Legacy Fund £000	Sustainability Hub £000	Total £000
At 1 January 2024	32	35	788	76	931
Income	21	-	-	-	21
Expenditure	(25)	-	(106)	(31)	(163)
At 31 December 2024	28	35	682	45	790

The IPSG funds relates to an industry funded technical centre which is administered in accordance with its Statute.

The MM Sharma Medal was created following a donation of £13,000 from the JB Joshi Foundation in 2018. An award of £1,000 is made to the winner(s) of the medal for excellence in the field of chemical engineering. The donation will also be used to fund IChemE's administration expenses of up to £250 in the year of award.

The SIESO Medal was launched in 2019 following a bequest of £29,500 from SIESO (a society that Shared Information and Experience for Safer Operation) which ceased operations in 2018. The medal seeks to raise awareness of process safety among science, business, and engineering students. It consists of an award of £750 and up to £250 in travel allowance to attend the presentation.

The Andrew Legacy Fund seeks to hold a medal lecture on the theme of 'The Science of Formulation of Heterogeneous Catalysts' and to support academic research in enhancing the science of formulation of heterogeneous catalysts. The medal and lecture are normally awarded every three years. The Institution has also set up the Andrew Fellowship which funds up to two early career researchers a year to undertake research in the field of Heterogeneous Catalysts. The Fellowship consists of a stipend of £10,000 a year plus £5,000 a year in expenses for a period of up to four years.

In addition, the Andrew Legacy funds the 'Sydney Andrew PhD Scholarship in Multiscale Catalysis Research' run by the University of Bath. Funding for the Scholarship has been agreed at £25,300 a year for the period 2020-2024. The Fund also pays for up to 20 PhD, EngD or MSc students to attend a week-long summer school Catalysis: Fundamental and Practice about the fundamentals of heterogenous catalysis. The summer school is organised by, and held at, the University of Liverpool's Department of Chemistry every two years.

In March 2021, the Institution received a donation of £200,000 to be used for the development of sustainability knowledge for chemical engineers. A programme of work began in May 2021 to create the Sustainability Hub, with a vision to create and deliver a sustainability knowledge resource. The Sustainability Hub was formally launched in February 2022, and additional training and content continued to be developed in 2024.

15. Analysis of movements in unrestricted designated funds

Group and Charity	Future Institution Transformation Programme £000	Total £000
At 1 January 2024	350	350
Expenditure	-	-
Transfer between funds	-	-
At 31 December 2024	350	350

In January 2022, the Board of Trustees agreed to designate £350,000 to future IT platform and business application enhancements. It is anticipated that this funding will be put towards the re-implementation of the membership database in 2025.

16. Related Party Transactions

During the year recharges have been made between the charity and its subsidiary undertakings. These relate to direct costs and staff costs incurred by one party on behalf of the other. The net amount recharged was:

	Net amount recharged from / (to) the charity in the year		Balance outstanding at year end included in debtors / (creditors) for the charity	
	2024 £000	2023 £000	2024 £000	2023 £000
IChemE Ltd	30	(186)	143	113
IChemE in New Zealand	6	69	42	36
IChemE Malaysia Sdn Bhd	12	21	77	64
	48	(96)	262	213

IChemE Ltd gift aids its operating profit to the charity and the balance of £72,000 (2023: £71,000) is included in debtors for the charity at year end.

17. Analysis of group and charity net assets between funds

Fund balances at 31 December 2024 are represented by:

Group	Unrestricted funds £000	Restricted Funds £000	Total £000
Tangible fixed assets	795	-	795
Investments	6,670	-	6,670
Pension scheme funding deficit	(1,787)	-	(1,787)
Net current assets	2,044	790	2,834
Total net assets	7,722	790	8,512

Charity	Unrestricted funds £000	Restricted Funds £000	Total £000
Tangible fixed assets	795	-	795
Investments	6,670	-	6,670
Pension scheme funding deficit	(1,787)	-	(1,787)
Net current assets	2,076	790	2,866
Total net assets	7,754	790	8,544

18. Reconciliation of net movement in funds to net cash flow from operating activities

Group	2024 £000	2023 £000
Net income	1,078	968
Adjustments for:		
Depreciation on tangible fixed assets	101	78
(Gains) on investments	(253)	(39)
Dividends and interest from investments	(59)	(68)
Investment management fees	27	41
Difference between pension charge and cash contribution	(242)	(222)
(Increase) in debtors	(320)	(23)
(Decrease)/increase in creditors	(214)	648
Exchange (losses) arising from retranslation of foreign branches & subsidiaries	(39)	(44)
Change in cash and cash equivalents due to exchange rate movements	106	75
Net cash provided operating activities	185	1,414
Charity	2024 £000	2023 £000
Net income / (expenditure)	1,149	1,018
Adjustments for:		
Depreciation on tangible fixed assets	101	78
(Gains) on investments	(253)	(39)
Dividends and interest from investments	(59)	(68)
Investment management fees	27	41
Difference between pension charge and cash contribution	(242)	(222)
(Decrease)/increase in debtors	(380)	29
(Decrease)/increase in creditors	(212)	678
Exchange (losses) arising from retranslation of foreign branches & subsidiaries	(29)	(39)
Change in cash and cash equivalents due to exchange rate movements	63	35
Net cash provided by operating activities	165	1,511

19. Analysis of changes in net debt

Group	At start of year	Cash flows	Foreign exchange movements	At end of year
	£000	£000	£000	£000
Cash	4,620	(103)	(106)	4,411
Total	4,620	(103)	(106)	4,411

Charity	At start of year	Cashflows	Foreign exchange movements	At end of year
	£000	£000	£000	£000
Cash	4,370	(123)	(63)	4,184
Total	4,370	(123)	(63)	4,184

20. Pension scheme

Defined contribution scheme

The Institution's Defined Contribution Pension Scheme for UK based staff was established in April 2006 following the closure of the Defined Benefit Scheme. The assets of the Scheme are held separately from those of the charity and from January 2021 were administered by The People's Partnership (formerly The People's Pension), provided by B&CE. The Institution pays one and a half times the percentage that the employee contributes up to a maximum of 12%. The total pension cost charge to the Institution, representing contributions payable to the fund amounted to £550,000 (2023: £356,000).

The total pension cost for the staff of the branch in Australia, which is paid under the superannuation scheme at 12% of base salary, was £52,000 (2023: £38,000).

Pension costs relating to the employees of the Institution's subsidiaries IChemE in Malaysia and IChemE in New Zealand amounted to £6,000 (2023: £5,000).

Defined benefit scheme

The Institution operates a defined benefit pension arrangement called the Institution of Chemical Engineers Pension Scheme. The Scheme provides benefits based on salary and length of service on retirement, leaving service or death. In 2006, the Scheme was closed to new members, future service accruals and salary revaluations were limited with effect from 5 April 2006.

The scheme is funded with the assets being held by the pension scheme's trustees separately from the assets of the Institution.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least every three years to determine whether the Statutory Funding Objective is met. As part of the process, the Institution and the trustees of the Scheme must agree the contributions to be paid to address any shortfall against the Statutory Funding Objective.

20. Pension scheme *(continued)*

The most recent triennial valuation of the Scheme as at 31 December 2023 was carried out during 2024. The results of that valuation showed that the deficit in the Scheme had decreased from £5.26m to £2.65m. In order to continue to address the deficit position, a Recovery Plan was agreed for the Institution to pay an annual contribution level of £368,000 a year, increasing in line with CPI, from 1 February 2024 to 30 November 2031.

The results of the valuation are updated by an independent qualified actuary on an annual basis allowing for cashflows in and out of the Scheme and for changes to assumptions over that period.

The Institution has also provided additional security to the Scheme by way of a charge of £500,000 on the freehold property in Rugby. The security agreement to put the charge in place was submitted to the Land Registry in March 2017.

Administrative and other expenses of the Scheme are payable separately by the Institution.

The principal assumptions used to calculate Scheme liabilities include:

	2024 %	2023 %
Discount rate	5.45% pa	4.45% pa
Inflation (RPI)	3.45% pa	3.30% pa
Inflation (CPI)	2.90% pa	2.90% pa
Pension increase (LP15)	2.85% pa	2.80% pa
Post-retirement mortality	90% of the S3NA tables with CMI 2023 projections using a long-term improvement rate of 1.25% pa. The initial addition is 0.25% pa, the 2020 and 2021 weight parameters are 0%, and the 2022 and 2023 weight parameters are 15%.	90% of 'S3NA' tables with CMI 2020 projections and a long-term rate of improvement of 1.25% pa. The initial addition is 0.25% p.a. and the 2020 weight parameter is 0%
Commutation	All members are assumed to take 25% of their pension as tax-free cash	All members are assumed to take 25% of their pension as tax-free cash

The major categories of assets are as follows:

Asset category	2024 £000	2023 £000
Liability Driven Investment (LDI)	3,516	3,726
Multi-asset Funds	2,935	3,315
Deposit and Treasury	633	364
Cash	49	63
Total	7,133	7,468

20. Pension scheme (*continued*)

Amounts recognised in the balance sheet:

	2024 £000	2023 £000
Fair value of assets	7,133	7,468
Present value of funded obligations	(8,920)	(10,460)
(Deficit) in scheme	<u>(1,787)</u>	<u>(2,992)</u>

Amounts recognised in the statement of financial activities over the year:

	2024 £000	2023 £000
Interest on liabilities	456	460
Interest on assets	(331)	(331)
Total	<u>125</u>	<u>129</u>

Remeasurements over the year:

	2024 £000	2023 £000
Loss/(gain) on assets in excess of interest	584	(114)
Experience (gains)/losses on liabilities	(269)	187
(Gains)/losses from changes to demographic assumptions	(162)	-
(Gains)/Losses from changes to financial assumptions	(1,116)	220
Total	<u>(963)</u>	<u>293</u>

The change in the value of the assets over the period was:

	2024 £000	2023 £000
Fair value of assets at beginning of period	7,468	7,066
Interest on assets	331	331
Institution contributions	367	351
Benefits paid	(449)	(394)
Return on assets less interest	(584)	114
Value of assets at end of period	<u>7,133</u>	<u>7,468</u>

The actual return on assets over the period was £253,000.

20. Pension scheme *(continued)*

The change in the value of the defined benefit liabilities over the period was:

	2024 £000	2023 £000
Value of liabilities at beginning of the period	10,460	9,987
Interest on liabilities	456	460
Benefits paid	(449)	(394)
Experience (gain)/loss on liabilities	(269)	187
Changes to demographic assumptions	(162)	-
Changes to financial assumptions	(1,116)	220
Value of liabilities at end of the period	8,920	10,460

	2024 £000	2023 £000
Actuarial gains/(losses)	963	(293)

The annual contribution level for the period 1 February 2024 to 31 January 2025 was £367,000. This will be increased by CPI inflation of 2.5% in line with the Recovery Plan to £377,000 for the period 1 February 2025 to 31 January 2026.