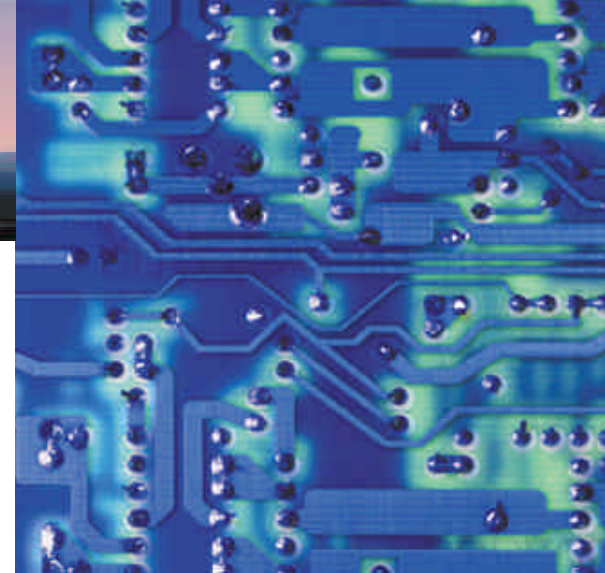




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ANNUAL REVIEW

REPORT OF THE BOARD OF TRUSTEES OF THE INSTITUTION OF ELECTRICAL ENGINEERS
for the year ended 31 March 2001



President's Introduction

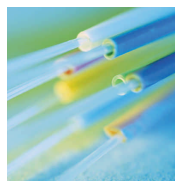
The year has been a challenging one for staff and membership alike. The 1999 President's Strategy review ushered in widespread change affecting almost every aspect of our operations and, not surprisingly, this has raised some concerns. The need for change to adjust to the much more competitive climate in which we find ourselves is generally accepted but, as is so often the case, making changes in one place can throw up unforeseen problems in another. Coping with this has demanded patience and understanding from all.

In November 2000 a Special General Meeting approved vital changes to the IEE's Charter and Bye-laws, transferring the legal and day-to-day decision-making responsibilities to a smaller Board of Trustees that has evolved out of the former Executive Board. This will allow Council to play a much more active part in steering and refining long-term policy before decisions are taken, whilst allowing for faster Institutional response to problems. These changes were essential to allow President's Strategy Review recommendations to be implemented.

Our Board and Committee structure has also been streamlined to reduce time spent on routine matters and to maximise productive work. The establishment of Professional Networks and localised Branches is again designed to allow faster and better response to members' needs, using the communications technology that many members have been involved in developing. This technology will allow us to provide services across the globe and enable member participation in our affairs with much less geographical constraint.

The Institution's staff have been in the forefront implementing these changes and my sincere thanks goes to them for their sterling efforts in a difficult task. The IEE has a good record of embracing new technologies and disciplines and I am confident that as our new structures bed down the Institution will emerge stronger and more relevant than ever before.

Professor John E Midwinter
OBE FRS FREng CEng FIEE
President 2000-2001



IEE VISION	TO BE THE BEST	ENGINEERING INSTITUTION	IN THE WORLD
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Raising the Profile

A key role of the IEE is to identify matters of concern to members, the profession and the public that have an engineering dimension. In 2000 the IEE made 28 submissions to Government Departments, Select Committees and other authorities on matters ranging from detailed comment on draft regulations to matters of broad public interest. The IEE website gives details of all the submissions made during the year.

A report To School or Not to School, submitted to the Foresight Education Panel, discusses the impact that Information and Communications Technology (ICT) may have on education at primary and secondary school level in 15 to 20 years' time.

The IEE is also proactive in addressing a number of major issues of public concern that have an engineering dimension, for example the safety of mobile phones. It represents the views of the profession on these matters to industry, academe, government and other national and international agencies and policy makers as well as to members and the public.

Serving Society

The IEE Working Party on the Possible Biological Effects of Low-Level Electromagnetic Radiation assessed over 1,200 research papers during the year and provided further evidence to the Independent Expert Group which produced the Stewart Report on mobile phone safety.

The group has also produced a briefing and guidance booklet EMFs and Health, which offers straightforward, unbiased, factual information on health effects due to electromagnetic fields (EMFs) for IEE members and the public.

Updated FactFiles on Nuclear Power in the UK and The Environmental Effects of Electricity Generation were published to inform members and the public on these two important topical subjects.

Serving the Profession

STANDARDS AND TECHNOLOGY

A new edition of IEE Model Form of General Conditions of Contract MF/1, Revision 4, was launched early in 2001. This new edition was a major revision subsuming all current legislation and information in an easy to use layout.

The IEE has also produced new guidance on electromagnetic compatibility (EMC) and functional safety. This major new work emphasises that compliance with the EMC Directive does not automatically confer functional safety to electronic systems. The guidance is illustrated with examples and advice for a range of industry sectors. IEE Guidance on EMC and Functional Safety also featured as the subject of an IEE seminar at the Electrotechnical Trade Fair (ETF2001) in March 2001.

A third amendment to BS 7671:1992, Requirements for Electrical Installations, 16th Edition, IEE Wiring Regulations was agreed by the Joint IEE/BSI National Technical Committee JPEL/64 in April 2000 (AMD 10983).

The changes related to Section 601, Locations Containing a Bath or Shower. An eight page supplement was prepared by the IEE and circulated to 50,000 contractors and consultants registered with the IEE. The text was also available free of charge on the IEE website.

Paper versions of BS 7671 and the IEE guidance publications to support BS 7671, all aligned to the second amendment (AMD 9781), continued to sell well during the year. A new Code of Practice on Electrical Maintenance was published during the year.

A new version of the IEE Wiring Regulations CD-ROM was issued in April 2000. In addition to the CD-ROM update, encrypted files were available for existing customers with the appropriate security clearance to

download to their computer system as the text became available. The IEE website now includes all the inspection forms and schedules published in BS 7671, the guidance notes and codes of practice. In November 2000 new versions of the forms were launched which allowed users to include their logos and those of approval bodies, and to complete the form on screen. Data can be saved in database form for future comparison with new test readings.

In addition to responding to drafts from IEC, the Joint National Committee JPEL/18, Ships and Offshore Electrical Installations, agreed to prepare a Code of Practice to complement the international standards. Steady progress has been made on the Code of Practice through two Panels, the Ship Co-ordination Panel and the Offshore Co-ordination Panel.

QUALIFYING ENGINEERS

As part of its campaign to encourage high-quality young people into the profession, the IEE awarded over £90,450 in scholarships, prizes and grants to school leavers, undergraduates and postgraduates of outstanding ability. Eight travel awards, worth a total of £5,000, including the Princess Royal Scholarship for service in a developing country, were also awarded.

Student recruitment reached an all time high this year at 10,555 elections. The introduction of the on-line student form has greatly contributed to the increase in international student applications.

PROFESSIONAL DEVELOPMENT

The IEE has continued to work in partnership with both academe and industry to raise standards in the formation of engineers in disciplines relevant to the IEE. In 2000 thirty accreditation visits were made to higher education establishments in the UK and elsewhere. Forty accreditation visits to assess Professional Development Schemes were made to companies in a wide range of engineering and other sectors. The IEE also works closely with

employers to develop in-house systems which encourage and support engineers in achieving their professional qualifications.

To support these activities IEE News initiated a section solely devoted to Professional Development and a new publication, Directconnection, was launched for employers. The mentoring service also grew in strength during the year, with some Branches running pilot services.

The IEE supported in-company mentoring schemes by offering specific training by in-company presentations and a one-day workshop event at Savoy Place. The Executive Development Group, a facilitated, confidential discussion group for senior executives and directors ran in Coventry during the year.

A memorandum of understanding was signed in June 2000 between the IEE, the Institution of Mechanical Engineers (IMechE) and the Institution of Incorporated Engineers (IIE) in order to cement the already strong partnership between the three institutions in the area of CPD. Collaborative working continued throughout the year and work began on creating a single process for recognising and accrediting company support for professional development. A survey of members' attitudes towards CPD was carried out in November 2000. The research revealed that 90% of IEE members surveyed periodically reviewed the knowledge and skills they needed to remain competent in their jobs; whilst 76% had identified their development needs and opportunities for the forthcoming year.

IEE also contributed to the Engineering Council IPD/CPD Forum and the Interprofessional CPD Forum and held the chairmanship of the CPD in Science and Engineering Action Group.



TECHNICAL EVENTS

The XVII World Telecommunications Congress (WTC2000) was held at the International Convention Centre in Birmingham in May 2000 and attracted over 1000 delegates from 48 different countries, including the CEOs of 14 of the major global telecommunications companies.

The IEE exhibited at Electrex 2000 and Online 2000. The display at Electrex scooped two prizes in Marketing Event magazine's industry awards. In addition to winning the prize for a stand on a small budget, the stand was judged the most effective in any category ahead of entries from many major exhibitors.

There was increased demand for both Electrical and Professional Development courses during the year. Of especial interest has been the strong demand for in-company courses and many new contracts were entered into with large multinational companies. Over 160 workshops were held for Younger Members in their Branches, an increase of 10% over the previous year. A new leading-edge course in Advanced Software Engineering Techniques proved to be extremely popular.

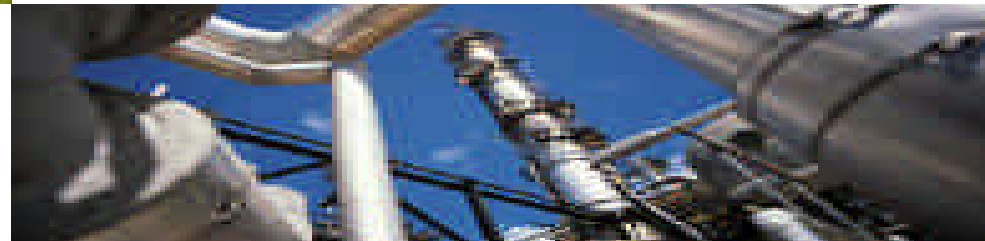
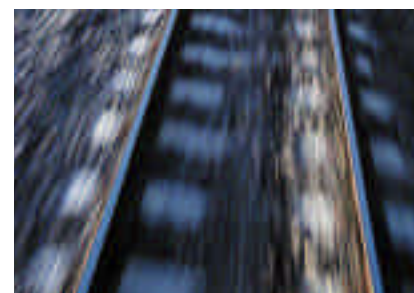
The Divisions and the emerging Professional Networks produced a vibrant event programme during the year, with many events attracting audiences of well over 100. Especially well-received were the seminar on How to Design RF Circuits, held in April 2000, the Residential Course on Railway Signalling and Control Systems and technical visits to the Devonport Dockyard, Jaguar in Coventry and Derwent Power in Derby.

PROFESSIONAL NETWORKS

Building on the evolutionary developments of the past few years, this last year has seen revolutionary change within Knowledge Services. This involved replacing Divisions and their Professional/Industry Groups with Professional Networks – world-wide groups of IEE members and potential members who share common technical and professional needs and/or interests.

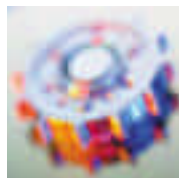
The development of the Professional Networks was an on-going project throughout the year and the first two pilot Professional Networks, Power Conversion & Applications and Healthcare Technologies, went live in January 2001. All Professional Networks will be underpinned by an interactive website delivering services such as tailored news, an article library, a discussion area and web directory signposting.

A phased roll-out plan for twenty five other Professional Networks has been developed through 2001. A further dozen Professional Networks have been suggested, but not yet approved, and it is expected that a complete portfolio of 35-40 Professional Networks will be developed.





An important first in the programme was an event held in November 2000 on Engineering in Food Manufacturing – Brokering the Future organised by the Food Manufacturing Group and supported by MAFF. This event brought together over 150 delegates from academia and industry, and around 30 bodies took stands for a brokerage session.



Particular highlights of the year were the inaugural John Pinkerton Lecture, presented by Sir Maurice Wilkes in November 2000 and the 3rd Turing Lecture presented by Nick Donofrio, which attracted an audience of 500 to hear an address on Technology Innovation and the New Economy.

LIBRARY

During the summer of 2000 a major refurbishment of the Library Reading Room was undertaken. This improved the environment and facilities for both the collection and users, and built in the infrastructure to provide electronic access to more of the collection both for visitors and remote users. At the same time the Library migrated to a new management system software package for catalogue searches, loans and orders. The enhanced online public access catalogue provided considerably improved user-friendly searching facilities for readers.

ARCHIVES

The project to make the catalogues of IEE Archives material available electronically was completed and these can now be searched via the IEE website. A number of small, special displays were mounted among them an exhibition on clandestine radio in co-operation with the Imperial War Museum. On display were radios made by British prisoners demonstrating the ingenuity of those involved. A special exhibition featured the Turing Archive, when original Turing manuscripts and

papers from King's College Cambridge were displayed together with a demonstration of the Turing Digital Archive created by Southampton University and King's College with support from the IEE and the BCS. The IEE Archives exhibition, Selling Light, remained on display in the Science Museum's Lighting Gallery, where it was seen by several thousand people.

INSPEC

The INSPEC database grew by a record 350,000 article abstracts during 2000 and now totals close to seven million abstracts. A new delivery option is now available for INSPEC following its launch on the ScienceDirect® platform. This provides links from INSPEC records to the full text of journal articles published by Elsevier, the American Institute of Physics and American Physical Society. Similar full text linking is growing rapidly on all services that provide access to INSPEC.

Unlimited site licence access to the database continues to be the growth area for INSPEC, with the number of British and Irish universities participating in the National Site Licence now exceeding sixty. Similar growth is to be found overseas with the first consortial agreement for INSPEC established in China.

THE COMPUTER FORUM

The number of registered users – the majority members – of the Computer Forum, an online magazine service, surpassed 20,000. The Forum's success is evident as it is now recognised as the precursor to the websites that will support the developing Professional Networks programme.

MEMBERS PUBLICATIONS

Publications and information services for members were the subject of a major research project, in which over 4,500 members took part. The results will underpin a review of the provision of members' publications, but a number of messages stood out. At least two thirds of members are satisfied (or better) with the Engineering Journals and consider them as a very important part of the membership package. The figures for IEE Review and IEE News are almost as high. There remains a strong preference to receive material in printed form although a growing number of members would now like to interact with the Institution and receive some services through the Internet. Around two thirds of all members now have access to the Internet at home, and the level of access at places of work is predictably higher still. The results of the survey will be used by the various Editorial Advisory Panels and the Publications Board to review all the individual publications and the package delivered to members.

MEMBERS SERVICES

Over the past year the former UK and International Centres and Professional Board activities were amalgamated under the banner of Members Services. The transition from the Centre structure to a more streamlined Branch format should be completed by September 2001.

Branches will continue to be the local presence of the IEE and have responsibility for regional links with industry, government and academia. On the technical front, there will be strong interaction between Professional Networks and Branches and discussions are underway to establish the links. New staffing structures have been put into place to provide improved administrative and professional support to Branches and their activities.

The 2000 Younger Members Chairmen's Conference adopted an international theme and explored issues relating to working overseas and across cultural boundaries and delegates represented Sections in Australia, Hong Kong, Mauritius, Sri Lanka and the UK. Younger Members also organised a Student Day in association with EUREL as part of the World Microtechnologies Congress and Expo 2000 in Hannover, which provided the chance for students and Younger Members to find out about the latest developments in the technologies of the future, as well as enjoying networking opportunities with like-minded students from all over Europe.

The annual International Honorary Officers Conference was held in San Francisco and the two-day training event provided an international forum for delegates to network and exchange ideas with their counterparts worldwide. In addition, successful activities were held to encourage collaboration between international Centres, including a visit by IEE Brunei to IEE Hong Kong and a Western European Cross Border Weekend meeting held in Aachen, and also with national institutions including the Institution of Professional Engineers New Zealand.

Progress has been made towards achieving a more professional and integrated use of marketing research. During the year, both qualitative and quantitative research has been used to

build a clearer picture of members' requirements. A series of focus groups and interviews was used to explore how members saw the IEE and their requirements of it. Addressing the issues raised in the research will be a priority for the new year. For the first time, the IEE issued a membership card to all members.

Awards and Honours

One of the highest distinctions offered by the Institution is the award of the Faraday Medal, which is given either for notable scientific or industrial achievement in electrical engineering or for conspicuous service rendered to the advancement of electrical science. The 79th award of the Faraday Medal was made to Professor C J Harris BSc MA PhD FREng for his internationally acclaimed work on intelligent control systems based on neuro-fuzzy techniques.

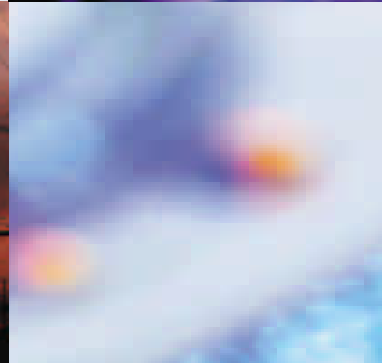
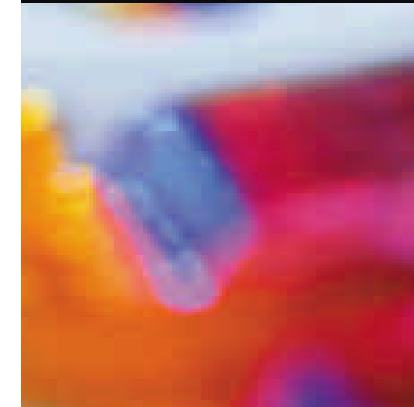
The IEE also elected to Honorary Fellowship of the Institution:

Mr D G Jefferies CBE FREng for his significant contribution to the Institution of Electrical Engineers.

Dr R K Saxby BEng DEng for his outstanding contribution to electronic engineering through the development of ARM Holdings plc.

The J J Thomson Medal was awarded to John Cioffi for his contribution to the development of digital subscriber line technology.

The Mountbatten Medal was awarded to Hermann Hauser for his contribution to the electronics industry.



Financial Highlights from 2000

HONORARY TREASURER'S
REPORT ON THE
FINANCIAL RESULTS
FOR 2000

£40m of income was generated during the year, the majority from the area of publishing and information services. The increased income levels compared to 1999 (£36m) have been matched by additional Charitable Expenditure of some £2m.

Despite a disappointing fall in the overall value of investments, reflecting the weakness of global investment markets, the value of the IEE's funds at the year end has been maintained at £96m. The proportion of free funds for unrestricted charitable use has increased by over 17%.

The refurbishment of public meeting areas in Savoy Place was undertaken in 2000 and initial work commenced on IT and communications enabling infrastructure. The forthcoming year will also see significant investment in the development of Professional Networks together with further development of our IT infrastructure and systems and refurbishment of administrative offices. Additional resources are being put into professional support for the network of Branches.

Summary of Financial Results

CONSOLIDATED STATEMENT
OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED
31 DECEMBER 2000

	Income £000s	Expenditure £000s
Membership Subscriptions	6,381	-
Publishing and Information Services	21,098	16,314
Meetings and Exhibitions	2,850	7,835
Members Support	158	2,840
Trading Companies	6,984	5,059
Building and Facilities Refurbishment	-	2,783
Other	1,070	1,916
Operating Activities	38,541	36,747
Investment Income	1,795	193
Income from donations and gifts	8	-
Totals	40,344	36,940

In addition, there were net investment losses of £3,377,000

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2000

	£000s
Fixed Assets	17,130
Investments	77,720
Current Assets	17,380
Less Current Liabilities	(16,387)
Net Assets	95,843
General Funds	35,378
Designated Funds	55,723
Unrestricted Funds	91,101
Restricted Funds	4,742
Total Funds	95,843

TRUSTEES' STATEMENT

The summarised financial statements are extracted from the full unqualified audited accounts prepared in accordance with the Charities Act 1993, which were approved by the Trustees on 12 March 2001. These accounts will subsequently be submitted to the Charities Commission.

C W Davidson
Honorary Treasurer
12 March 2001

AUDITORS' STATEMENT

Auditors' Statement to the Trustees of The Institution of Electrical Engineers
We have examined the summarised financial statements on pages 8 and 9.

Respective Responsibilities of Trustees and Auditors

You are responsible as Trustees for the preparation of the summary financial statements. We have agreed to report to you our opinion on the summarised statements consistency with the full financial statements, on which we reported to the Trustees on 12 March 2001.

The summarised accounts may not contain sufficient information to allow for a full understanding of the financial affairs of the charity. For further information, copies of the full annual accounts, unqualified auditors' report and the Trustees' Annual Report may be obtained by writing to the Chief Executive at Savoy Place.

Basis of Opinion

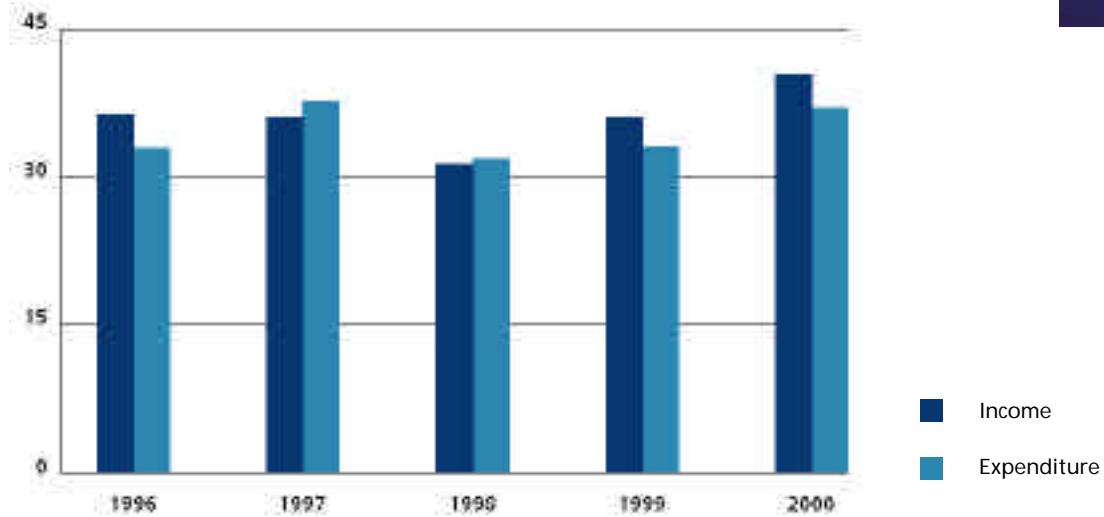
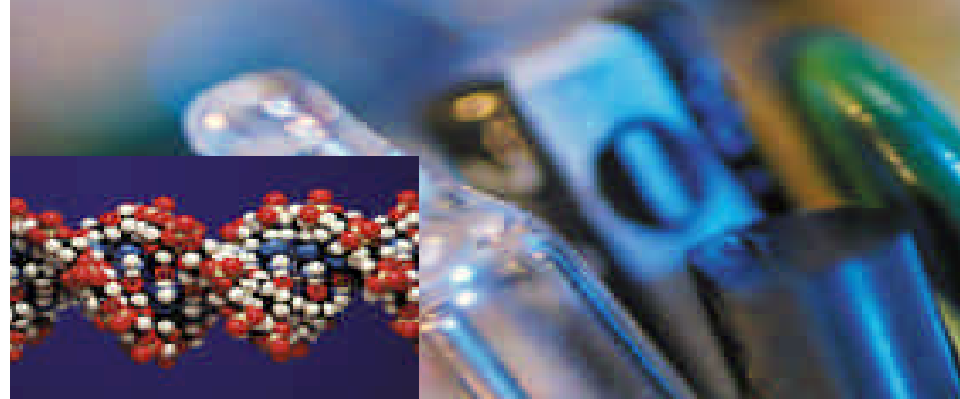
We have carried out the procedures we consider necessary to ascertain whether the summarised financial statements are consistent with the full financial statements from which they have been prepared.

Opinion

In our opinion, the summarised financial statements are consistent with the full financial statements for the year ended 31 December 2000.

Binder Hamlyn
Chartered Accountants and Registered Auditors
12 March 2001

Five Year Income and Expenditure Summary



Operating Activities

INCOME £000s

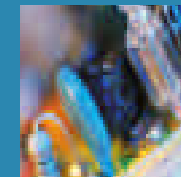


■ Publishing and Information Services 21,098	■ Meetings and Exhibitions 2,850
■ Trading Companies 6,984	■ Other 1,070
■ Membership Subscriptions 6,381	■ Members Support 158

EXPENDITURE £000s



■ Publishing and Information Services 16,314	■ Members Support 2,840
■ Meetings and Exhibitions 7,835	■ Building and Facilities Refurbishment 2,783
■ Trading Companies 5,059	■ Other 1,916



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